

# Q2 2017 Earnings Webconference

## August 7, 2017



**MannKind Corporation®**

# Cautionary Statement



Today's call includes forward-looking statements relating to the development, commercialization and benefits of our products and investigational product candidates, including AFREZZA®, that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected herein. The words "believe," "expect," "intend," "anticipate," "plan," variations of such words, and similar expressions identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. These forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult for us to predict and include, without limitation, our ability to generate significant product sales, our ability to manage our existing cash resources or raise additional cash resources, stock price volatility and other risks detailed in MannKind's filings with the Securities and Exchange Commission. For detailed information about the risks and uncertainties that could cause actual results to differ materially from those implied by, or anticipated in, these forward looking statements, please refer to our current and periodic reports filed with the Securities and Exchange Commission from time to time, including our annual report on Form 10-K for the year ended December 31, 2016.

# CEO Update - Michael Castagna



- **Established experienced leadership team**
  - New-Steven Binder, CPA, Chief Financial Officer
  - New-Patrick McCauley, JD, MBA Chief Commercial Officer
  - Retained talent through executive transition
- **Improved near term financial position & optionality**
  - TASE withdrawal
  - Reduced Deerfield obligations by \$15M
  - Increased cash by \$19.4M through The Mann Group
  - Afrezza net and gross revenue grew 29% and 60%, respectively, QoQ 2017
- **Redeployment of capital and critical resources**
  - Reallocation of resources
  - Reduced YoY burn rate
  - Reduced operating cash burn rate QoQ despite expanded commercial transition

# CEO Update - Michael Castagna (cont'd)



- **Continued commercial improvements**

- Insurance coverage
- One Drop collaboration
- International expansion-Brazil

- **Product pipeline**

- Successful pre-IND meeting on treprostinil with FDA
- Engaged Locust Walk for Partnerships

# Steve Binder

## Chief Financial Officer



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# Q2 2017 Financial Highlights



Statement of Operations <i>(in \$M, except per share amounts)</i>	3 Months Ended			
	30-Jun-17	31-Mar-17	% vs. Q1 2017	30-Jun-16
Afrezza Net Revenue	\$ 1.5	\$ 1.2	29%	\$ -
Afrezza Gross Revenue	2.6	1.6	60%	-
Cost of Goods Sold	(5.1)	(2.5)	100%	(4.0)
Research & Development	(3.1)	(3.1)	0%	(4.3)
Selling & Marketing	(11.6)	(7.7)	51%	(4.0)
General & Administrative	(6.9)	(7.6)	-9%	(7.1)
Interest Expense	(3.1)	(3.4)	-8%	(4.9)
Net Loss	(35.3)	(16.3)	116%	(30.0)
Net Loss Per Share	(0.35)	(0.17)	106%	(0.33)

Balance Sheet <i>(in \$M)</i>	As Of		
	30-Jun-17	31-Mar-17	31-Dec-16
Cash & Cash Equivalents	\$ 43.4	\$ 48.0	\$ 22.9
Net Deferred Revenue	2.6	1.8	3.4



**Afrezza Gross Sales for 2H 2017: \$9M-\$14M**

**Afrezza Net Sales for 2H 2017: \$6M-\$10M**

**Gross-to-Net Adjustment for 2H 2017: 30%-35%**

**Operating cash burn\* for 2H 2017: \$18M-\$24M/Qtr**

\*Exclusive of debt principal repayments

# Patrick McCauley

## Chief Commercial Officer



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# Q2 Commercial Highlights



- First full quarter of promotion by our MannKind sales team
  - Expansion and training occurred in February
- Q2 growth: prescriptions and new writers
- Continued focus on enhanced payor coverage
- Social media enhancements
- Afrezza TV commercial launch

# New Commercial Launched and Ready for Scale

## Over 110K Online Views in First 3 Weeks of Launch

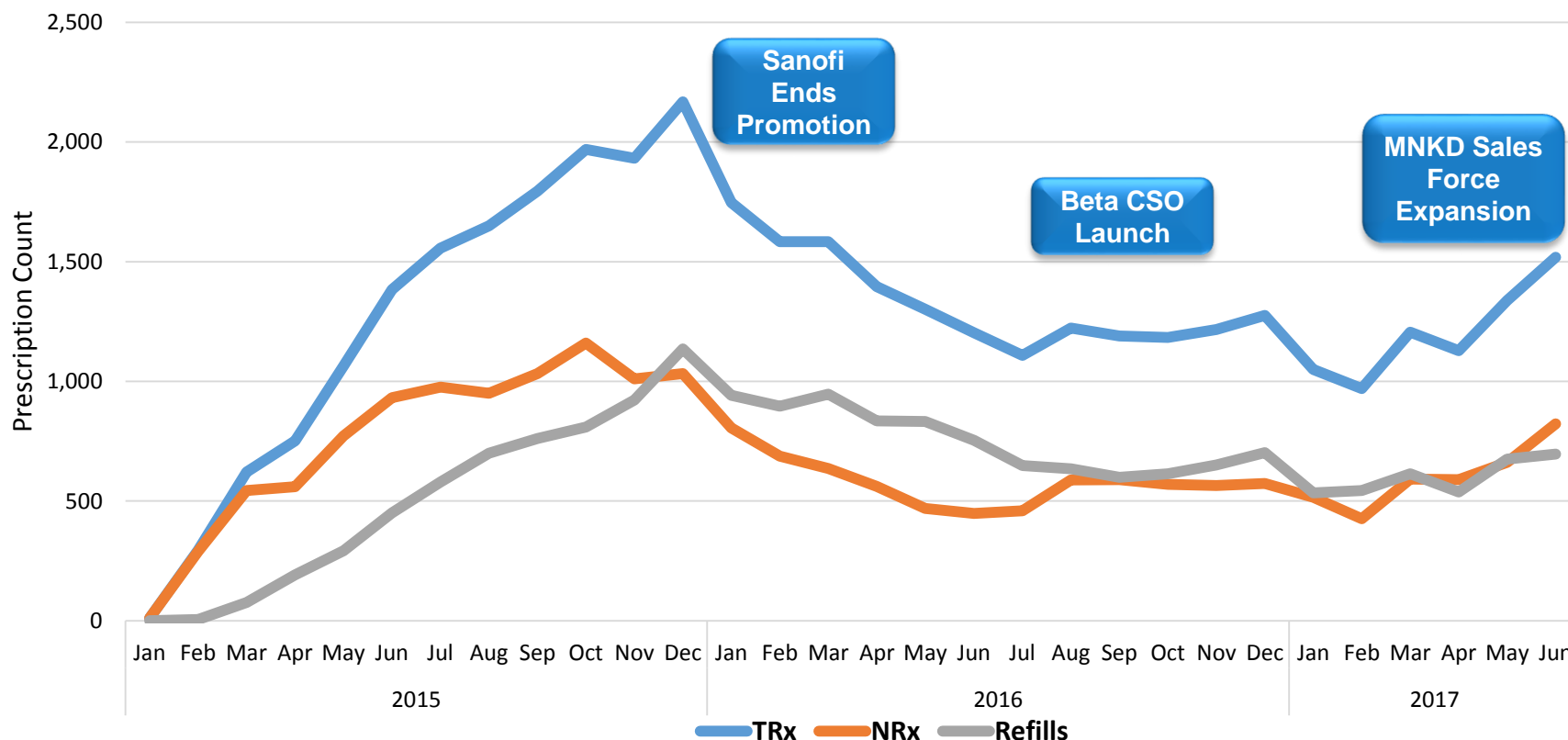


**Displayed in 9,000 Doctors offices starting Aug 2017**

# MannKind has Demonstrated Afrezza is Promotionally Responsive



## Afrezza Prescription Counts by Month



**Q2 Consecutive Growth – NRx 36%; TRx 23%**  
**June TRx was 70% of previous best month (Dec 2015)**

CSO=Contract Sales Organization

Source: Symphony Prescriber Source

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# MannKind Nrx Surpassed Refills for the First Time Since 2015 Driven by New Prescribers



## Afrezza Prescription and Writer Counts by Month

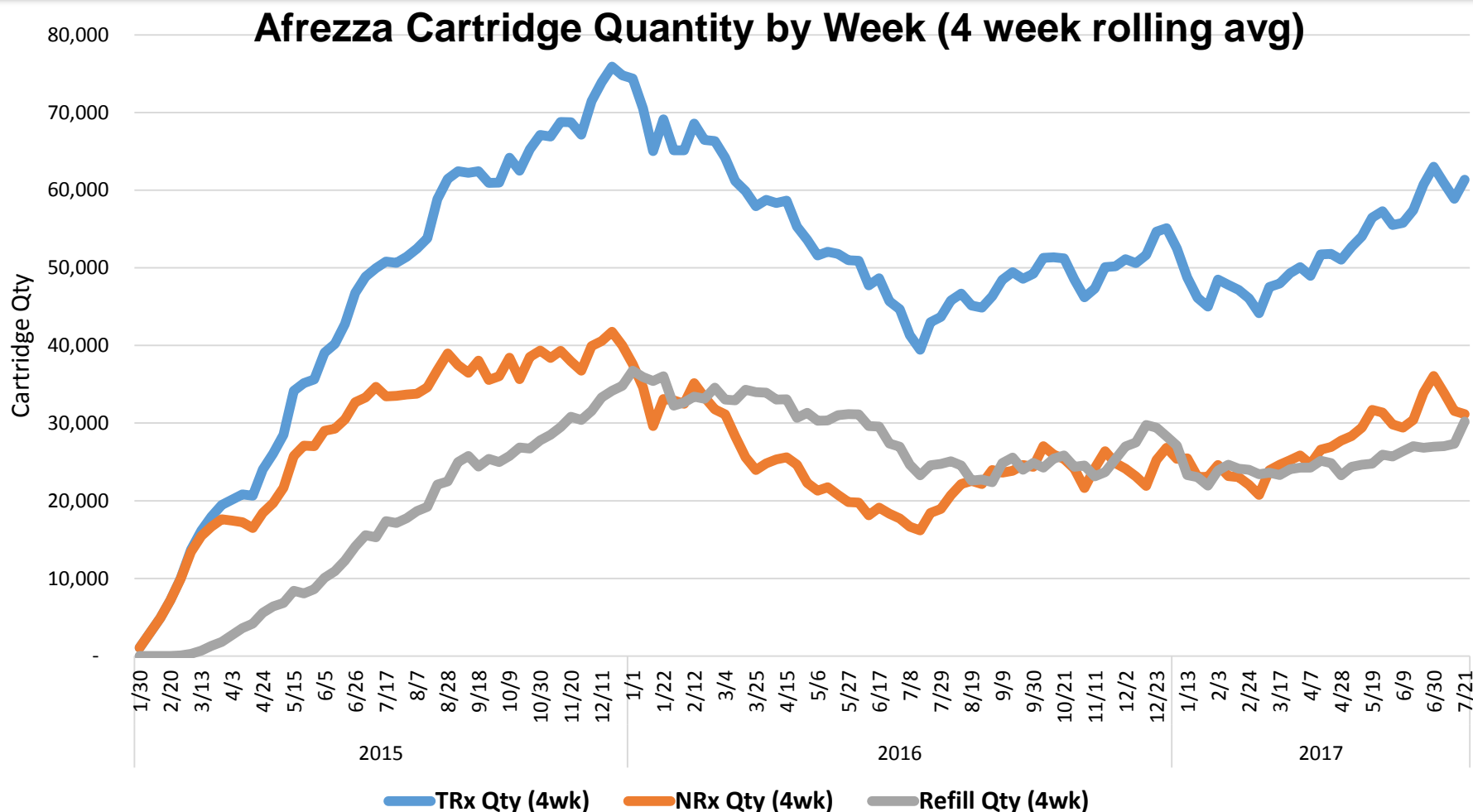


**Q2 Consecutive Growth – New Writers 41%; Total Writers 14%  
June writers were 66% of previous best month (Dec 2015)**

Source: Symphony Prescriber Source

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# Cartridge Growth in Q2 Demonstrates Success of our Commercial Model as we Near Previous Peak



**Q2 Consecutive Growth – Total Cartridges 24%**  
**June 30<sup>th</sup> Cartridge Avg was 83% of previous best (12/18/2015)**

Source: Symphony PHAST

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# Afrezza® 2017 Trade NDC Portfolio



**AFREZZA** : 180 cartridges

Carton contains:

90 - 4 unit cartridges

90 - 8 unit cartridges + 2 inhalers



**AFREZZA** : 180 cartridges

Carton contains:

60 - 4 unit cartridges

60 - 8 unit cartridges

60 - 12 unit cartridges + 2 inhalers



**AFREZZA** : 90 cartridges

Carton contains:

90 - 4 unit cartridges + 2 inhalers



**AFREZZA** : 90 cartridges

Carton contains:

90 - 8 unit cartridges + 2 inhalers



**AFREZZA** : 90 cartridges

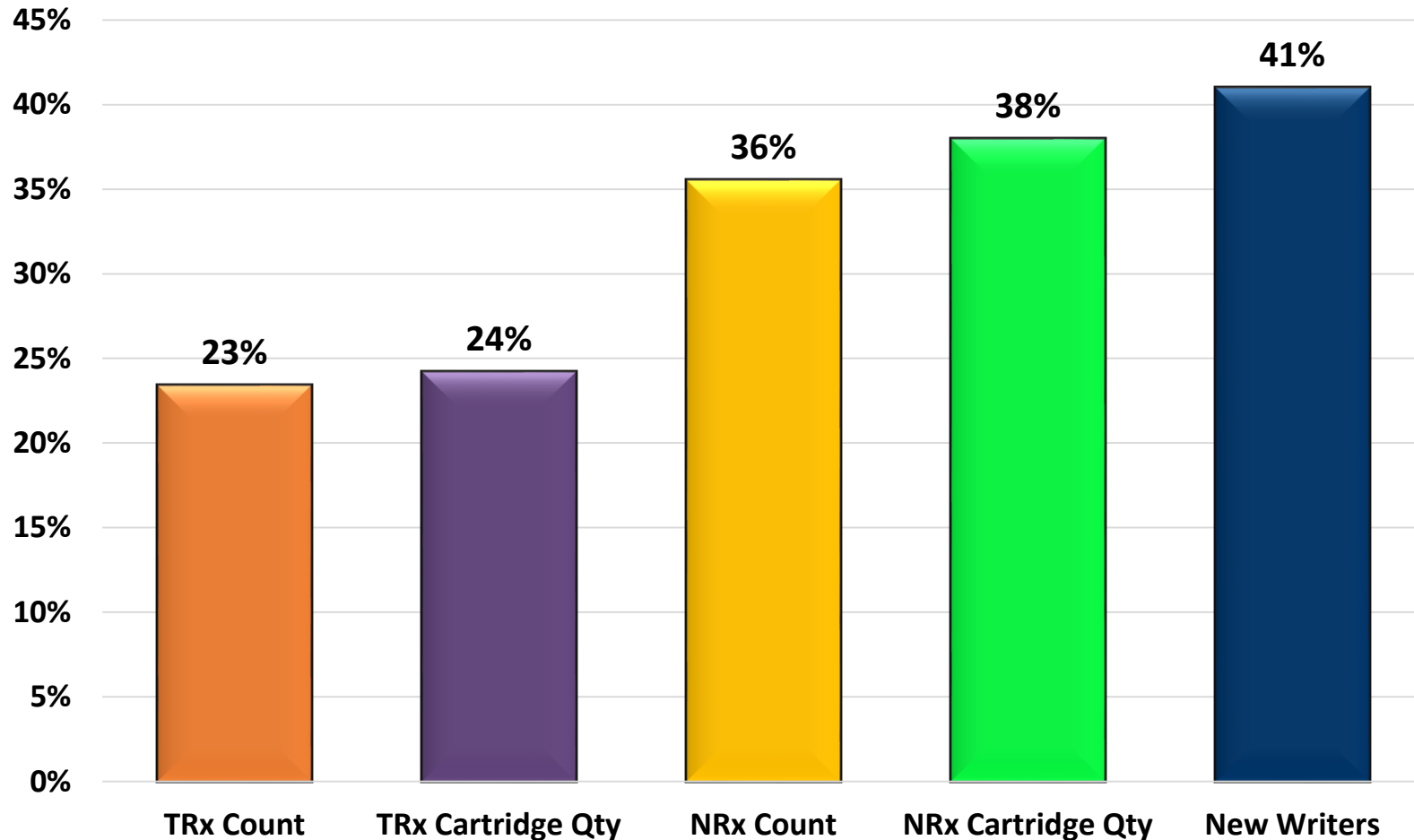
Carton contains:

90 - 12 unit cartridges + 2 inhalers

# NRx Growth and New Writers will have a Compounded Impact in Q3+



2017 Q2 v Q1 Growth



Source: Symphony Prescriber Source

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# Raymond Urbanski

## Chief Medical Officer



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- Afrezza Clinical Strategy
- Label Submission
- Update on pipeline



## Starting & Staying on Afrezza

- Proper Dosing (STAT & ADD-1)
- Speed of Titration (STAT, A-ONE & ADD-1)

## Integrate Digital Platforms

- One Drop (T2DM = A-ONE)
- CGM (T1DM = STAT & ADD-1)

## Expand Clinical Knowledge

- Pediatric Program
- Long term study
- Closed loop (Yale)
- Generate real world data (T1DM = APEX)

# Afrezza Clinical Program



2017

2018

2019- 2024

**Pediatric PK study  
(MKC-TI-155 Part 1)**



**Pediatric Phase 3 (MKC-TI-155 Part 2)**



**Long Term Safety (MKC-TI-182)**



**STAT  
(Time in Range CGM)**



**ADD-1  
(Afrezza Dynamic Dosing)**



**APEX  
(Afrezza Patient Experience)**



**A-ONE  
(Afrezza One Drop)**

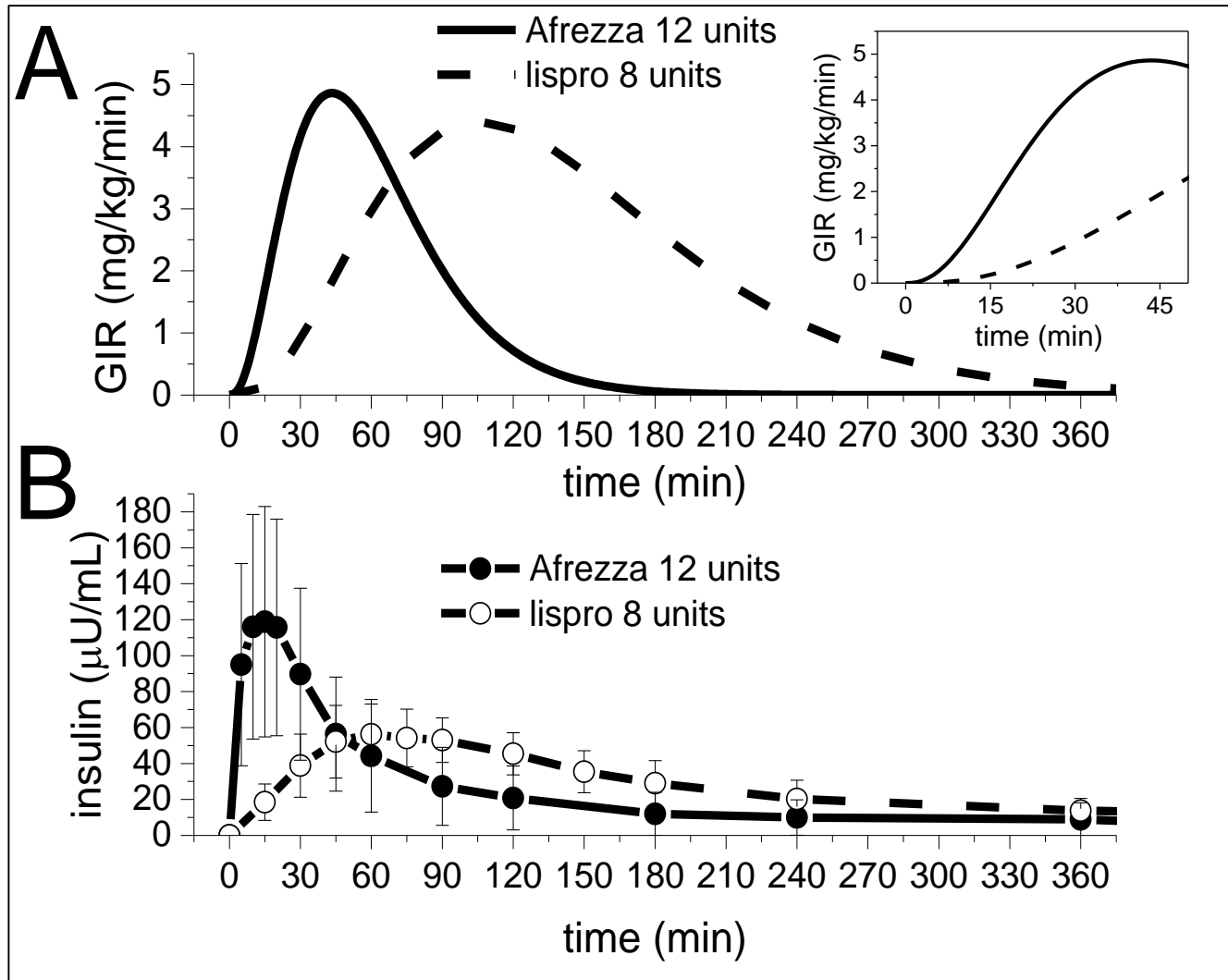


**Yale  
(Closed Loop)**



# Submitted Label Revisions

## Afrezza's Unique PK:PD Profile





- Successful treprostinil pre-IND meeting with FDA; full clarity on required clinical studies
- We expect to dose our first subject with one of our investigational products for the first time in over a decade
- Engaged Locust Walk – process started to evaluate potential partners for pipeline candidates

# Pipeline Highlight: Pulmonary Hypertension



## Pulmonary Hypertension (“PAH”) Overview

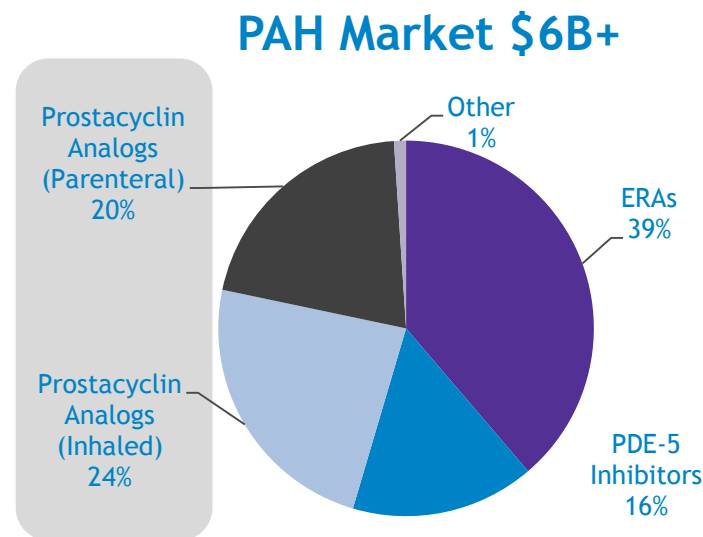
- PAH is a type of high blood pressure affecting the arteries of the lungs and right ventricle of the heart
- PAH is estimated to affect over 250,000 individuals worldwide

## Market Size and Growth

- Global PAH market revenues exceeded ~\$6B in 2016
- Despite rare disease, **considerable commercial potential exists due to premium price paid for PAH therapies**

## Major Drugs

- Endothelin Receptor Agonists (“ERAs”) &
- PDE-5 inhibitors are the first-line therapies
- Prostacyclins have ~45% market share
  - MannKind’s inhaled treprostinil (“TreT”) will compete in this space
  - Key competitors:
    - Treprostinil (nebulizer-inhaled and IV): United Therapeutics
    - Epoprostenol (inhaled): GSK
    - Iloprost (nebulizer-inhaled and IV): Actelion / Bayer





- **Financial**

- Continue to redeploy capital towards growth initiatives
- Deliver on financial commitments
- Recapitalize for future growth

- **Commercial**

- Continued field execution of key programs
- Enhance payor coverage and streamline access to Afrezza
- International expansion

- **Medical**

- Execution of clinical trials integrating technology into dosing and titration
- Launch of pediatric program
- File Treprostinil IND application with the FDA

# MannKind's New Office Effective September 1



**Westlake Village, CA**  
*Commercial Operations & Executive  
Offices*



**Danbury, CT**  
*R&D and Manufacturing*



# Q&A THANK YOU

Next:  
Investor Conferences  
September 2017



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