

Q3 2017 Earnings Call

November 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.

Agenda



Overview & Highlights	Michael Castagna
Financial Review	Steven Binder
Commercial Review	Pat McCauley
Additional Highlights	Michael Castagna
Q&A	All



Q3 2017 Overview

Michael Castagna
Chief Executive Officer

Key Highlights since Q2



Afrezza Marketing & Commercial

- Afrezza sales continue to grow within our expectations
- New marketing programs launched
- Launched two new packaging choices and phased out one

Financial

- Recapitalization activities progress
- Operating cash burn within our expectations
- Reallocation of resources, pulling forward 2018 initiatives

Medical & Regulatory

- Brazil (BLOMM) - first filing ex-US
- Three clinical trials advanced
- Treprostinil pre-IND work started



Financial Review

Steven B. Binder
Chief Financial Officer

Progress on Recapitalization



- **Sep 29th: Warrant exchange** – frees up 8.4M shares
- **Oct 10th: Issued** 10.2M common shares at \$6/share **raising \$57.7M** (net of issuance expenses)
- **Oct 23rd: Senior convertible debt reduction of \$4M to \$23.7M;** 2018 maturity extended to 2021 with equity conversion feature
- **Oct 23rd: Senior secured debt \$10M maturity moved to Jan 2018;** 4M shares reserved for conversion of Deerfield debt to equity

Efficient Use of Common Shares Available:

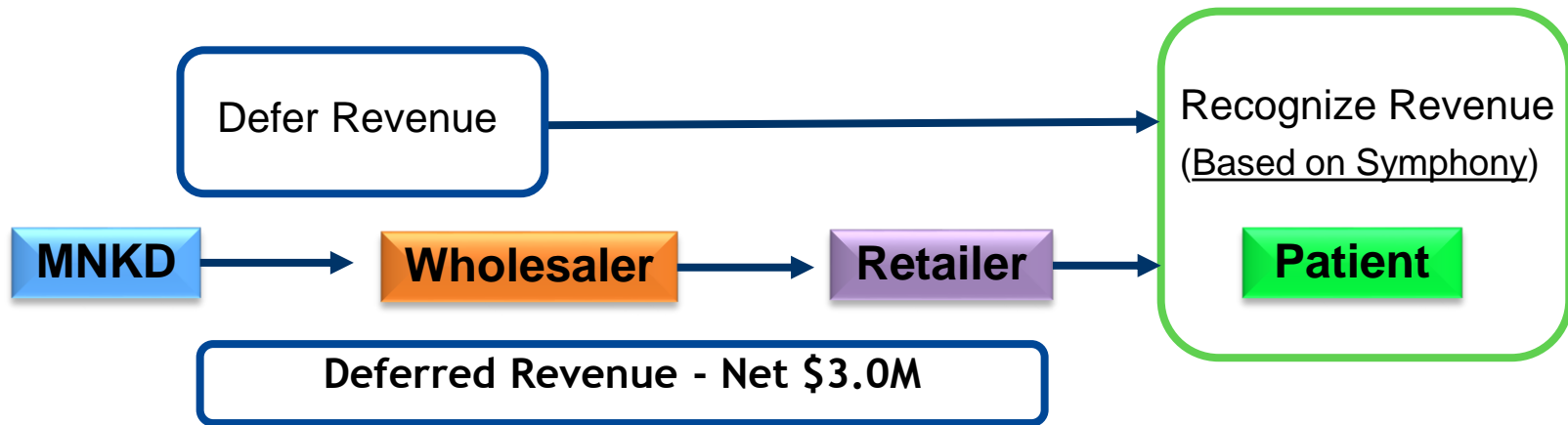
Authorized & available Sep 29	14.2M
Warrant exchange	+8.4
Issue shares @ \$6/share	-10.2
Sr conv debt exchange & reserve	-4.4
Sr secured reserve	<u>-4.0</u>
Shares Available	<u>4.0</u>

Q3 2017 Financial Highlights



Income Statement		3 Months Ended			Variances	
<i>(In \$M, except per share amounts)</i>		30-Sep-17	30-Jun-17	30-Sep-16	vs. 2Q '17	vs. 3Q '16
Afrezza Net Revenue		2.0	1.5	0.6	28%	246%
Afrezza Gross Revenue		2.8	2.6	0.8	8%	236%
Cost of Goods Sold		(4.6)	(5.1)	(4.4)	-10%	4%
Research & Development		(4.4)	(3.1)	(3.9)	40%	11%
Selling & Marketing		(9.2)	(11.6)	(7.0)	-21%	31%
General & Administrative		(8.5)	(6.9)	(6.1)	23%	39%
Interest Expense		(3.5)	(3.1)	(4.9)	11%	-29%
Net (Loss)/Income		(32.9)	(35.3)	126.5	-7%	-126%
Net (Loss)/Income Per Share		(0.31)	(0.35)	1.31	-11%	-124%
Balance Sheet		As of				
<i>(In \$M)</i>		30-Sep-17	30-Jun-17	31-Dec-16		
Cash & Cash Equivalents		20.1	43.4	22.9		
Deferred Revenue - Net		3.0	2.6	3.4		
Recog Loss on Purchase Comm - Total		112.2	108.9	101.0		

Revenue Recognition



Gross to Net Revenue:

- Wholesaler fees & prompt pay discounts
- Patient discount & co-pay
- Rebates & chargebacks

Information impacting revenue recognition:

- Symphony data
- Channel inventory levels
- Pricing
- Vouchers

Second Half 2017 Guidance



As communicated August 7, 2017:

- Afrezza Net Revenue for 2H 2017: \$6M-\$10M
- Afrezza Gross Revenue for 2H 2017: \$9M-\$14M
- Gross-to-Net Adjustment for 2H 2017: 30%-35%
- Operating cash burn* for 2H 2017: \$18M-\$24M/Qtr

We expect to achieve the lower end of our revenue guidance

We expect to increase Q4 2017 operating cash burn to \$30M-\$32M

- Accelerating 2018 commercial investments

*Net cash used in operating and investing activities exclusive of financing activities



Commercial Review

Pat McCauley
Chief Commercial Officer

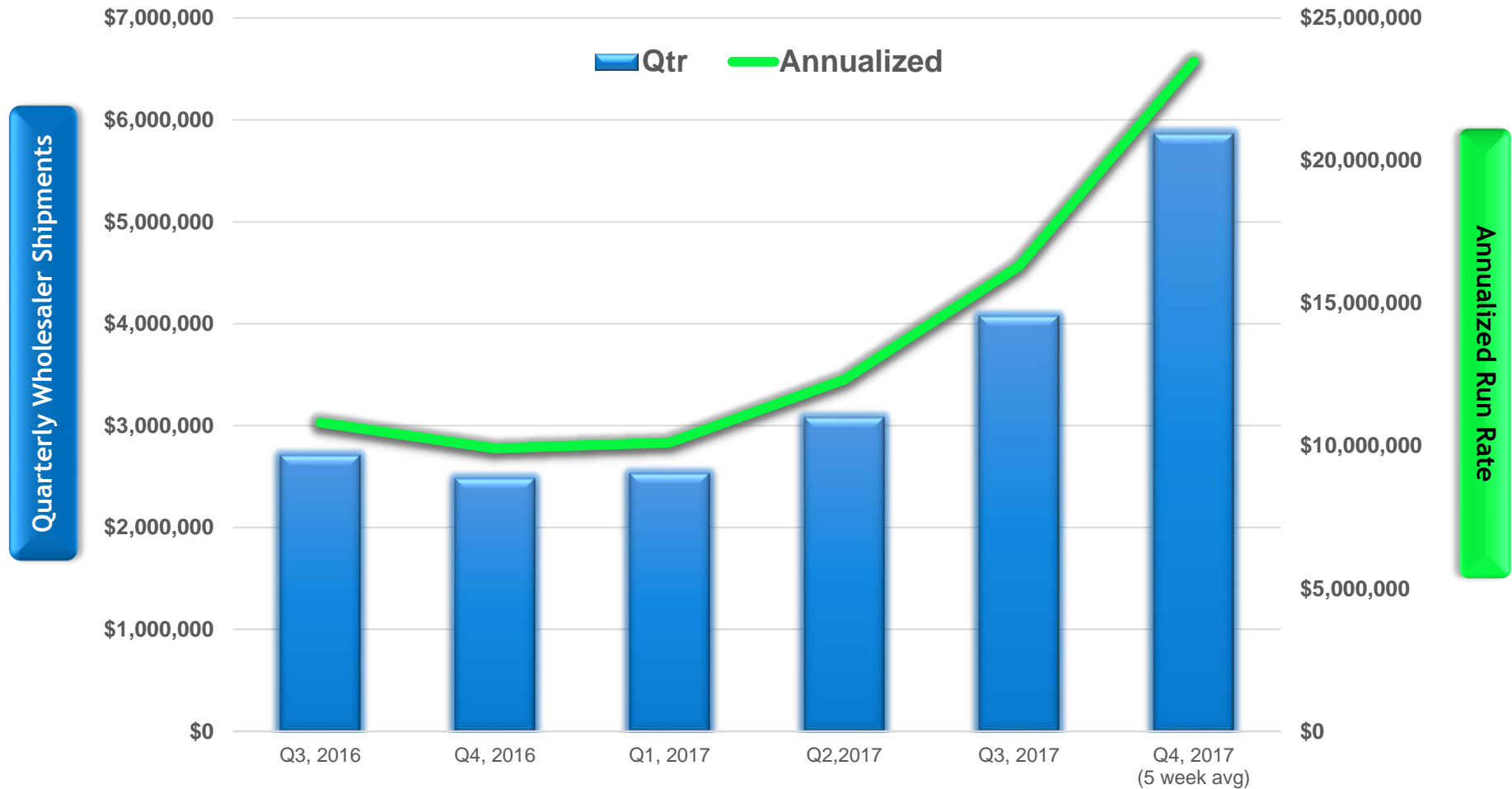
Q3 2017 Commercial Highlights



- Afrezza® sales continue to grow in Q3
 - Wholesale shipments, Prescriptions, Total cartridges, and New writers
- Transition of our NDC Portfolio
 - Launched two new SKU's and phased one out
- Positive FDA label update
- Afrezza® T.V. commercial market expansion
 - Regional pilot in nine markets

Wholesaler Shipments by Quarter

Q4 estimate based on first 5 week shipment average

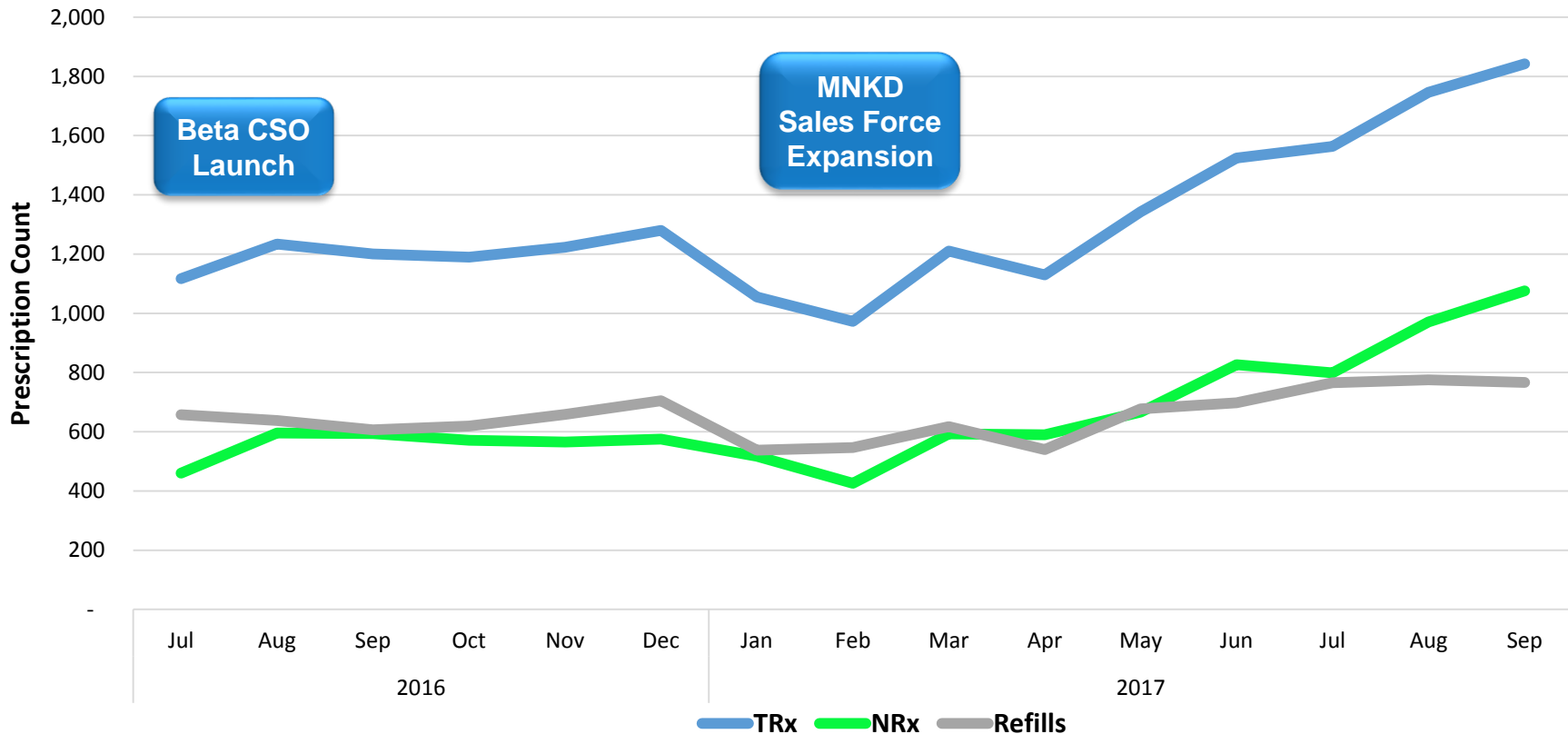


Wholesaler days on hand has been stable to declining since Q3, 2016

MannKind Promotional Efforts Accelerate TRx & NRx Growth in 3Q



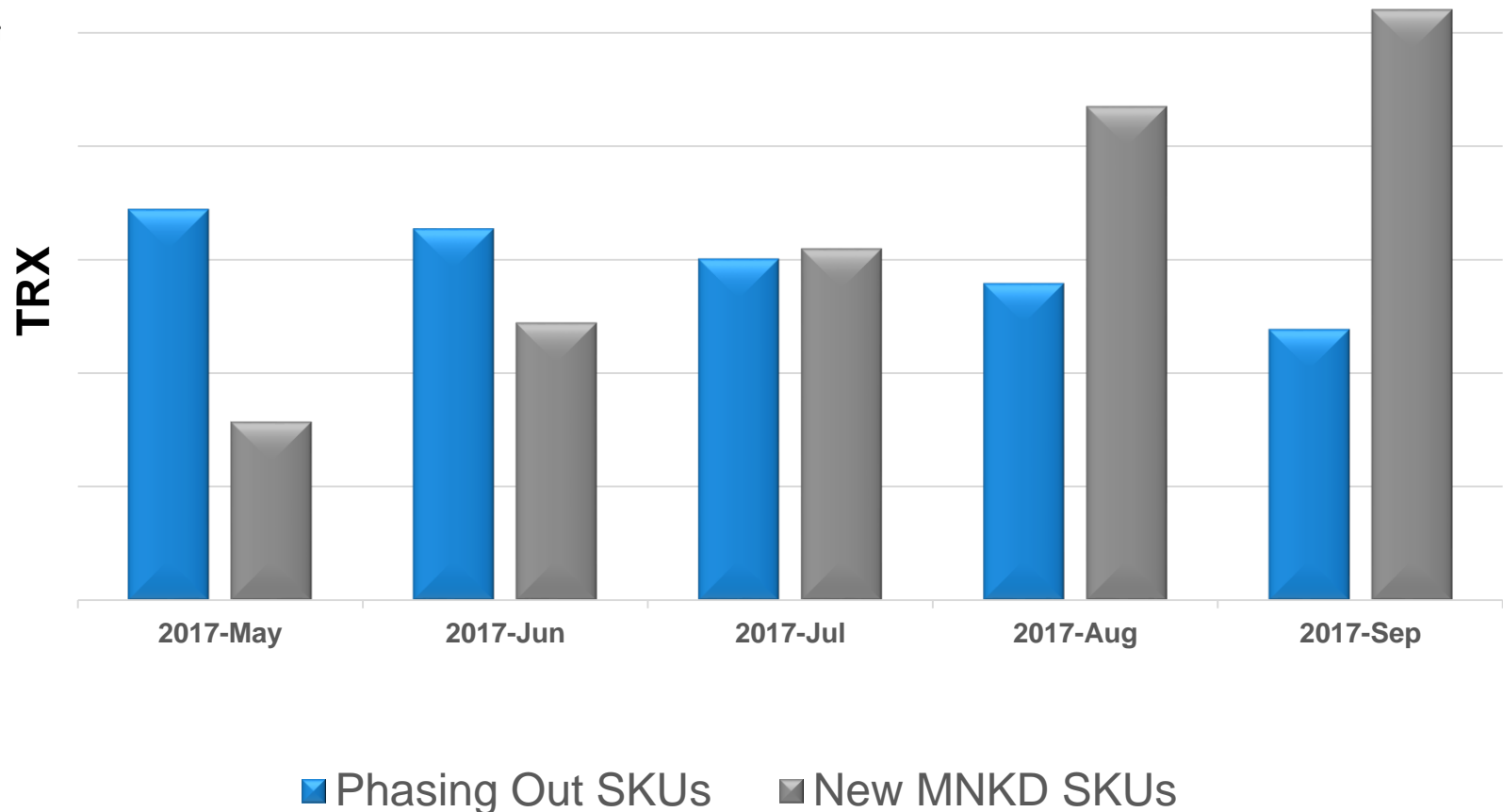
Afrezza® Prescription Counts by Month



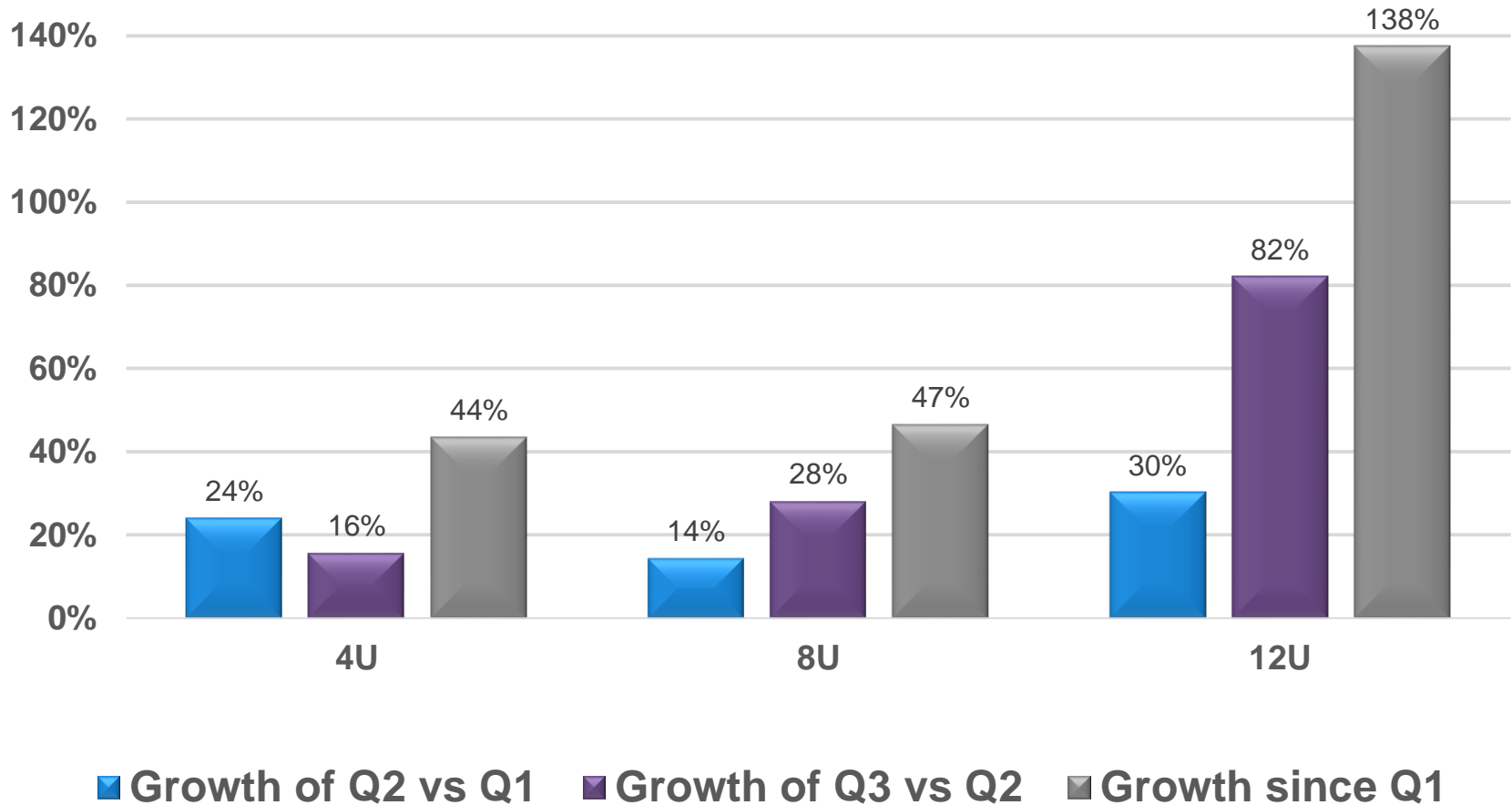
Q3 Consecutive Growth – NRx 37%; TRx 29%

CSO = Contract Sales Organization
Source: Symphony Prescriber Source

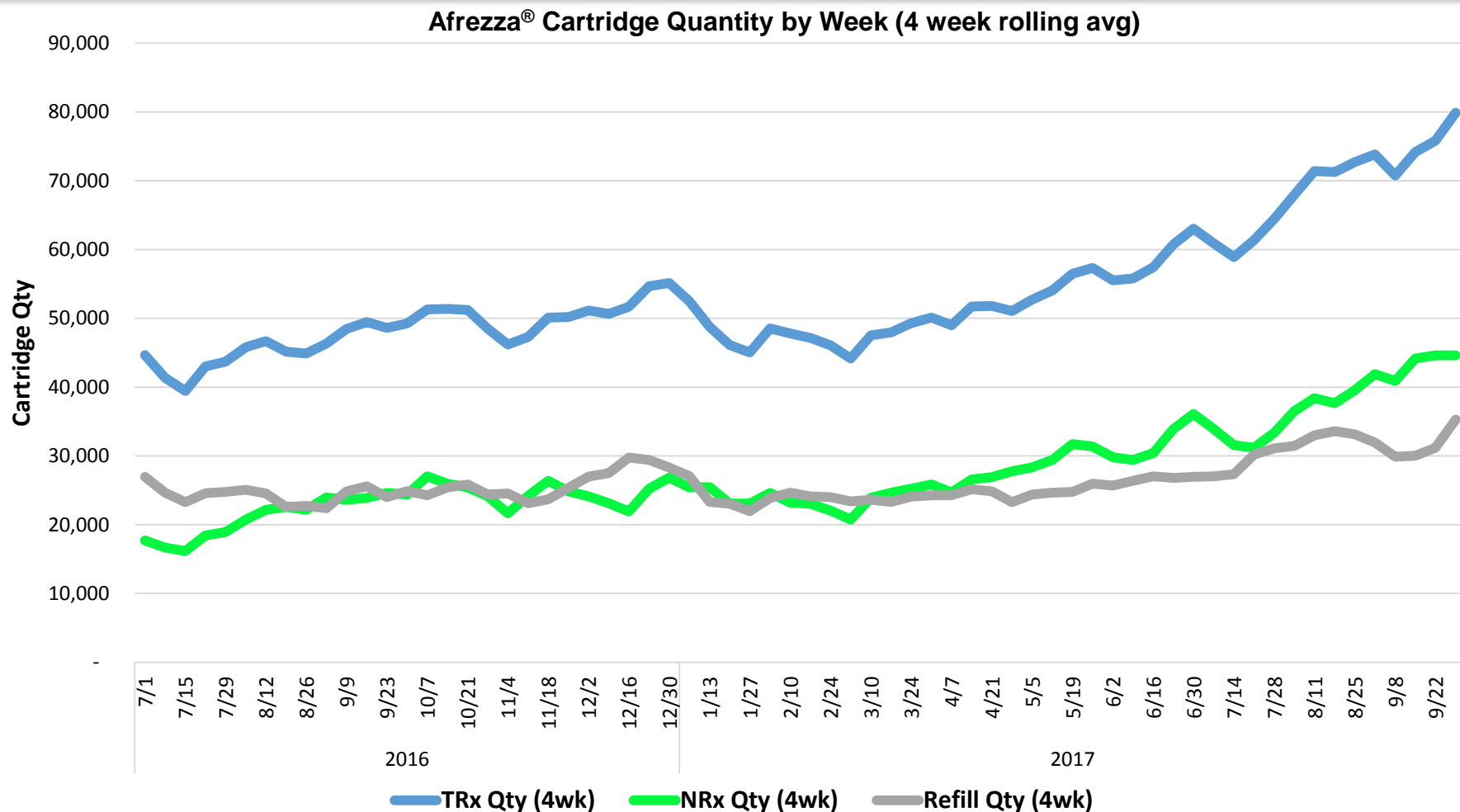
Old SKUs are Declining 31% Impacting Refill Rates as Patients Convert to New SKUs



Significant Growth of 8U & 12U Cartridges in Q3 Reflect our Promotional Focus on Better Titration

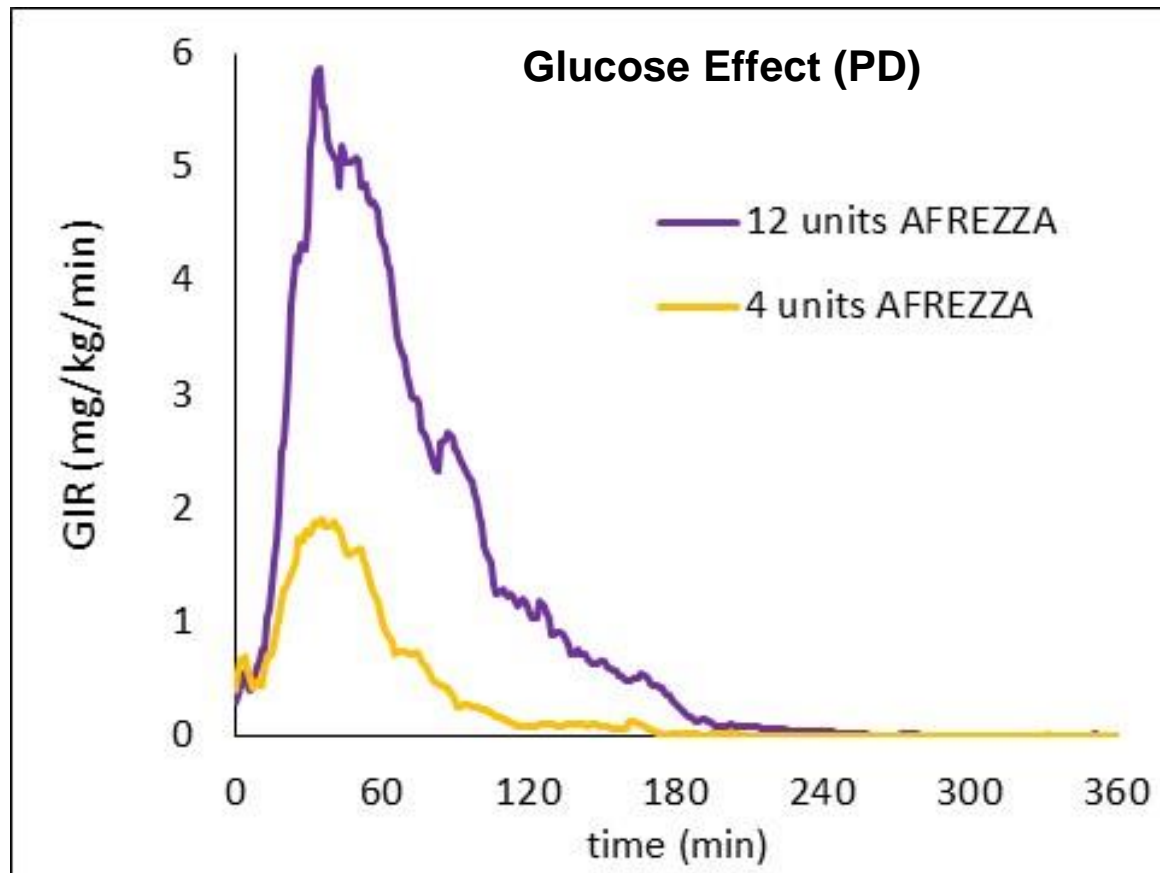


Afrezza® Cartridge Quantities Achieve New All-Time High



Q3 Consecutive Growth – Total Cartridges +31%
Sept 29th Cartridge Avg was 5% higher then previous best

Positive Label Update Reinforces the Afrezza® Clinical Value Proposition



Parameter for Insulin Effect of Available Cartridge Forms	AFREZZA 4 units	AFREZZA 12 units
Time to first measurable effect	~12 minutes	~12 minutes
Time to peak effect	~35 minutes	~45 minutes
Time for effect to return to baseline	~90 minutes	~180 minutes

Afrezza® Q4 2017 TV Campaign



News
60 Minutes
CNN
Fox News

Sports
NASCAR
NFL
NCAA

Entertainment
A&E
Travel Channel
TNT

Talk Shows
Ellen
Dr. Phil
The View



Additional Highlights

Michael Castagna
Chief Executive Officer

Afrezza Clinical Program Progressing



2017

2018

2019- 2024

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



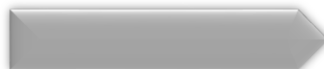
Pediatric Phase 3 (MKC-TI-155 Part 2)



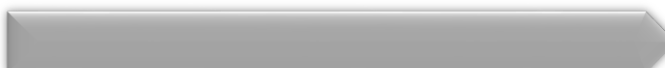
Long Term Safety (MKC-TI-182)



ADD-1 (MKC-TI-187)
(Afrezza Dynamic Dosing)



APEX (MKC-TI-190)
(Afrezza T1DM Patient Experience)



STAT * (T1DM)
(Time in Range CGM)



Closed

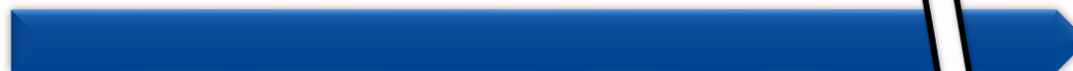
A-ONE * (T2DM)
(Afrezza One Drop)



NEW
Levin * (Initiating Mealtime
Afrezza in Uncontrolled T2DM)



Yale*
(Closed Loop)



* Investigator Initiated Trials

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Special Meeting of Stockholders



- Today we are announcing a Special Meeting of Stockholders
- Special Meeting date is December 13, 2017
- Stockholders will vote on increasing authorized shares by 140M
- Provide strategic optionality
- Flexibility on capital structure

Sources of Capital



- Afrezza[®] product revenue
- ATM
- Co-promote opportunities
- Debt options
- Equity
- International Licensing
- Partnership(s) for pipeline assets

Near Term Milestones and Key Events

The Foundation for Long-term Growth



- ✓ Growth Trajectory Continues for Afrezza
- ✓ FDA Label Change
- ☐ Recapitalization (ongoing)
 - ✓ Warrant Exchange
 - ✓ Equity Raise
 - ✓ Restructure/Reduce Debt
- ☐ International Expansion
- ☐ Receptor Life Sciences
- ☐ One Drop Collaboration
- ☐ Continued Increase in Payor Coverage
- ☐ Completion of STAT Trial (Afrezza+Dexcom)
- ☐ IND Filing for Treprostinil
- ☐ Co-promote Opportunities

Q&A THANK YOU



MannKind Corporation®