

# 3Q 2020 Earnings Call

November 4, 2020



# Cautionary Statement

Today's presentation 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, the impact of the COVID-19 pandemic on our business 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, 2019.



# Today's Agenda

**3Q 2020 Highlights**

**Michael Castagna, CEO**

**Financial Review**

**Steven B. Binder, CFO**

**4Q Expectations**

**Michael Castagna, CEO**

**Analyst Q&A**



**mannkind**

# Michael Castagna

Chief Executive Officer

# Our Mission

***To give people control of their health  
and the freedom to live life.***

**life more humann.<sup>SM</sup>**

# New Leadership Addition – Kevin Kaiserman, VP Medical Affairs & Safety

- 25+ years pediatric endocrinology physician
- Well-respected diabetes thought leader
  - Private Practice (SoCal Diabetes)
  - Professor at Children's Hospital Los Angeles; USC Keck School of Medicine
- Leading MNKD's Medical Affairs, Field Medical Activities, Safety and Pediatrics Program
- Expanded medical team under Kevin's leadership



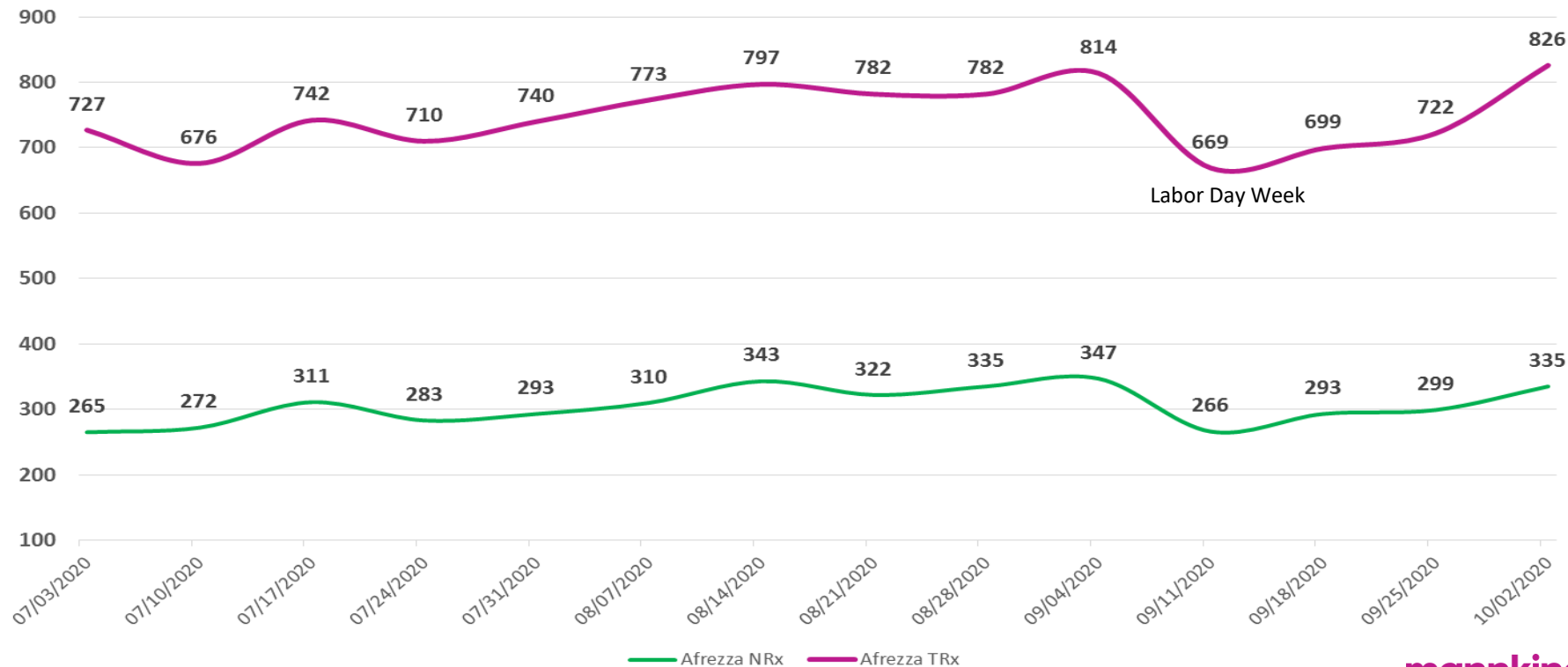
# 3Q 2020 Highlights

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- **Afrezza**
  - U.S. 3Q Net Revenue of **\$7.3M, +27%** vs. 2019
    - U.S. 3Q TRx **+8%** vs. 2019; **+3%** vs. 2Q 2020
    - Working through COVID-19 headwinds
  - U.S. Sep YTD Net Revenue of **\$22.1M, +31%** vs 2019
- **United Therapeutics Collaboration - TreT**
  - On track to complete critical NDA components in Q4
  - Received \$1.2M purchase order for clinical supplies
- **Cash**
  - 3Q 2020 Net Cash Used in Operating Activities of **\$13.5M**
  - Ended 3Q with **\$52.7M**
- **Debt Changes**
  - Prepaid Dec 2020 Promissory Note of \$2.6M in October

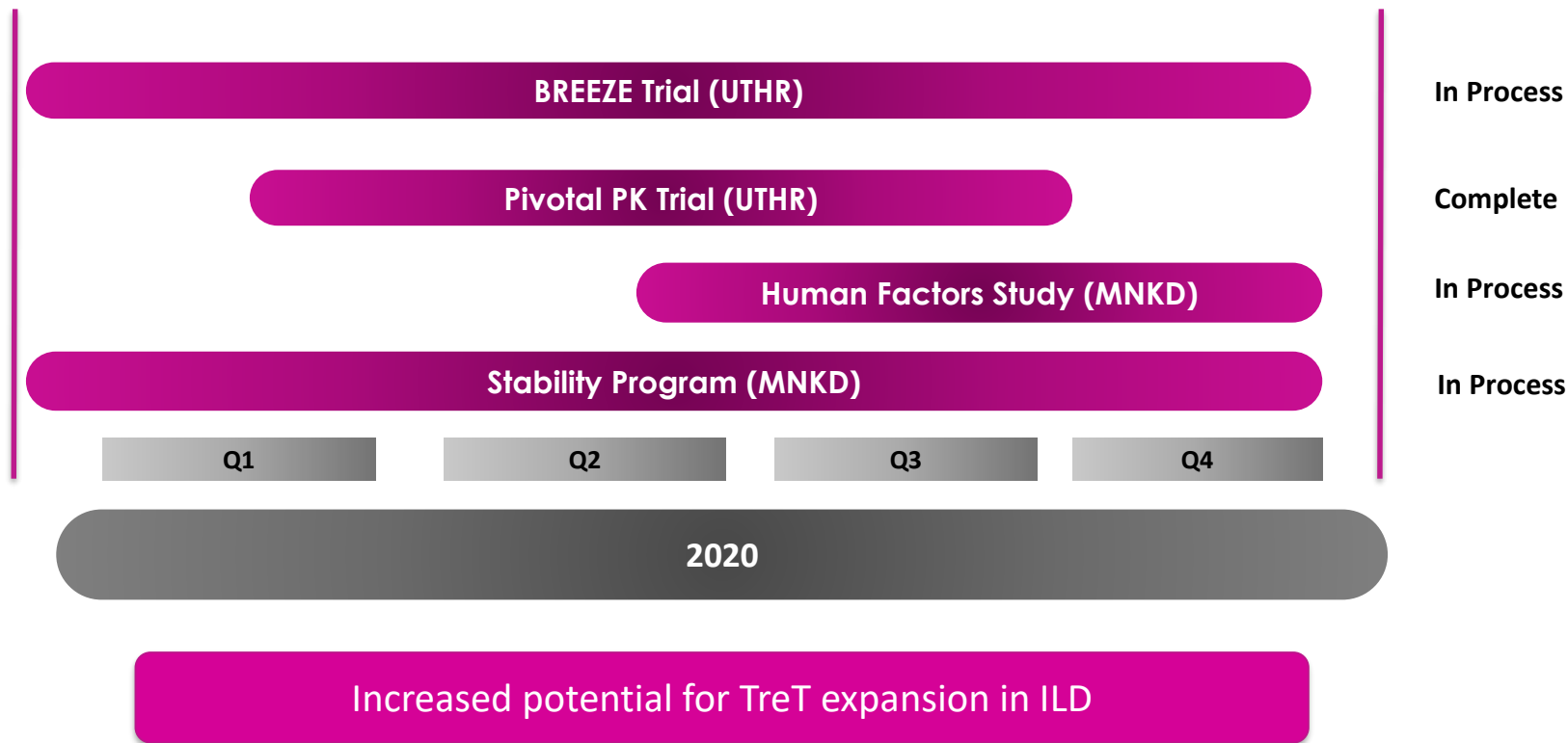
# Afrezza 3Q 2020 TRx/NRx

TRx 3Q 2020 vs. 2Q 2020 +3%; RAA market -2%





# TreT Clinical Programs Tracking to a 4Q Completion



# Steven B Binder

Chief Financial Officer

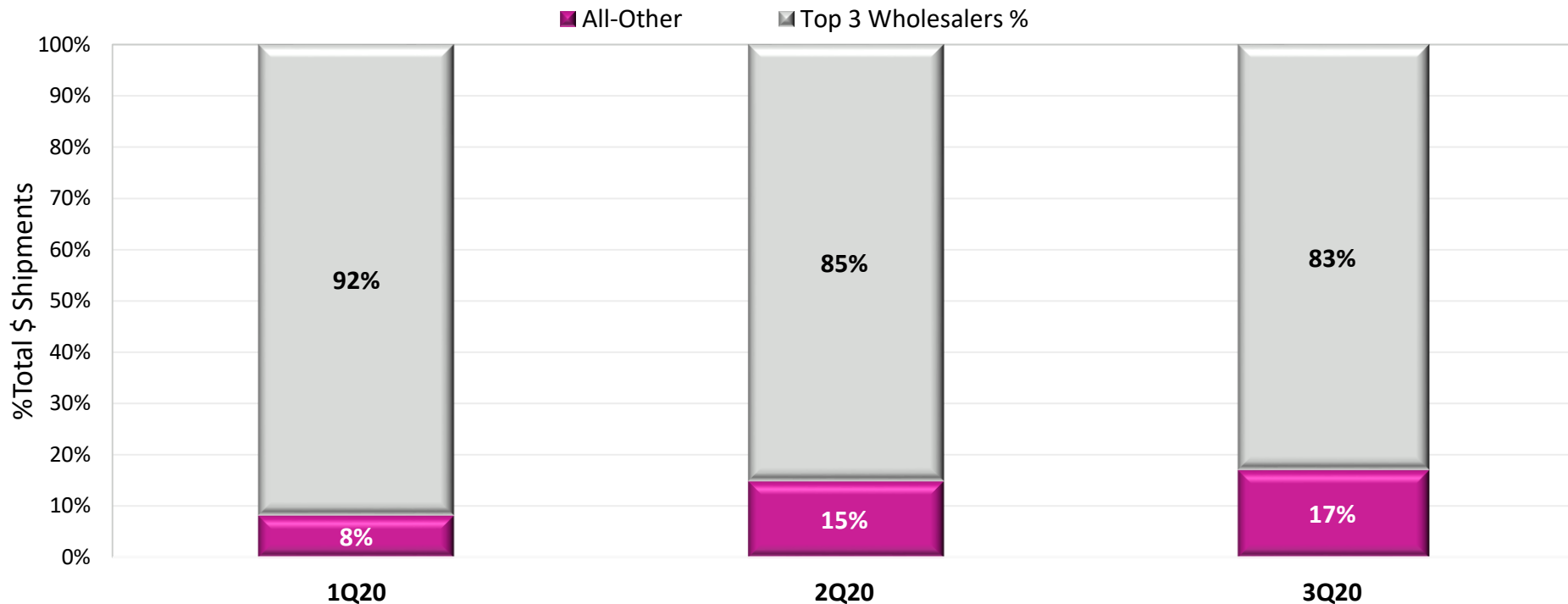
## 3Q & Sep YTD 2020 Afrezza US Revenue Increased 27% and 31%

	3Q 2020	3Q 2019	% Chg	YTD 2020	YTD 2019	% Chg
Net Revenue - Afrezza U.S.	7.3	5.7	27%	22.1	16.9	31%
Net Revenue - Afrezza International	-	0.7	N/A	0.2	0.7	-75%
Net Revenue - Afrezza	7.3	6.4	14%	22.3	17.6	27%
GTN %	41%	43%		42%	41%	
Revenue - Collaborations and Services	8.1	8.2	-1%	24.4	29.5	-17%
Total Revenues	15.4	14.6	5%	46.7	47.1	-1%

- **U.S. Afrezza Net Revenue 3Q +27%; Sep YTD +31%**
  - Growth driven by mix/volume and price.
  - COVID-19 impact: reduced access to physician offices; reduced new patient starts
- **Collaborations and Services Revenue 3Q -1%; Sep YTD -17%**
  - UTHR research agreement substantially completed in 2Q 2019

# Growth in Specialty Pharmacies Favorably Impacting GTNs

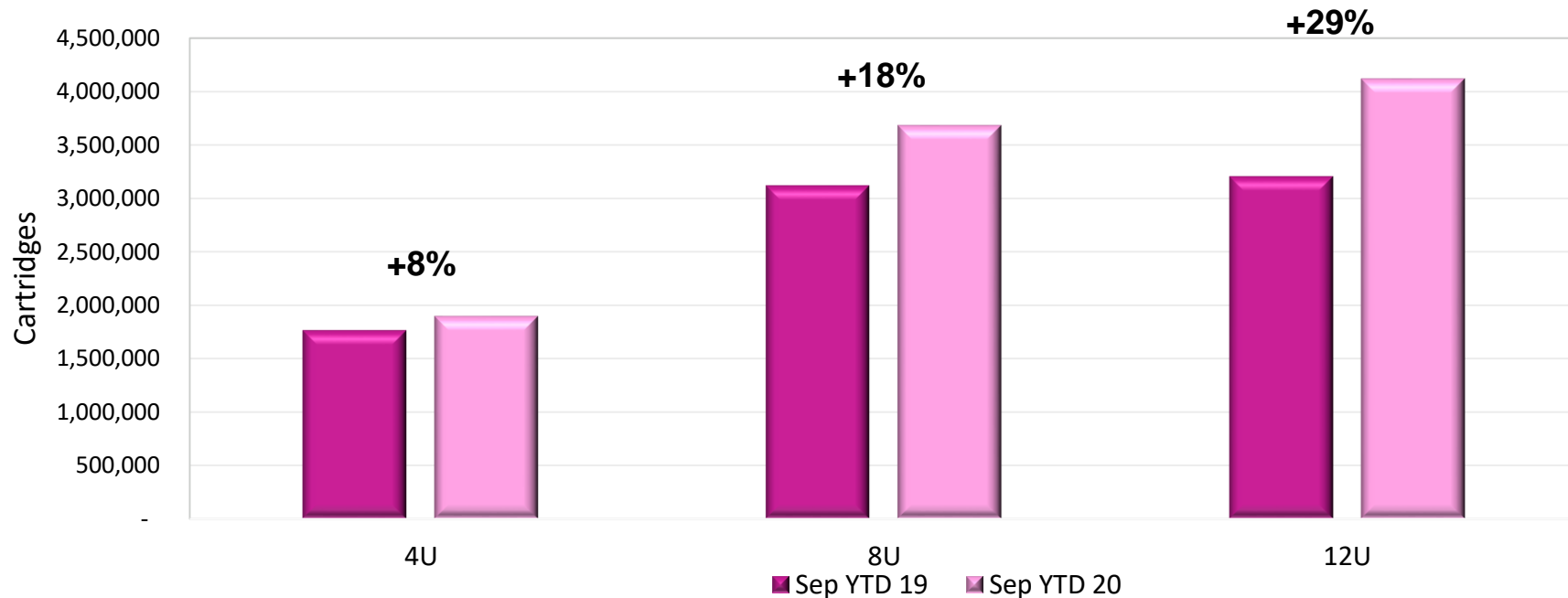
October reached 20%



# Favorable U.S. Cartridge Mix Growth Continues

## - Driven by Appropriate Starting Dose and Patient Titration to Higher Doses

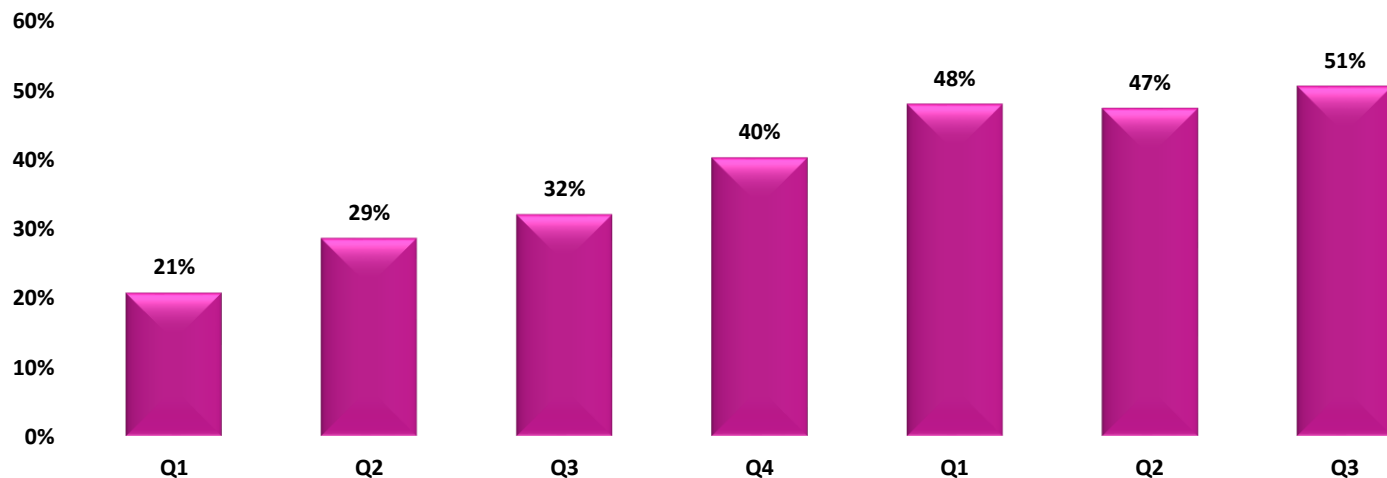
### 4U Equivalent Cartridges



# Afrezza Gross Margin Surpasses 50%

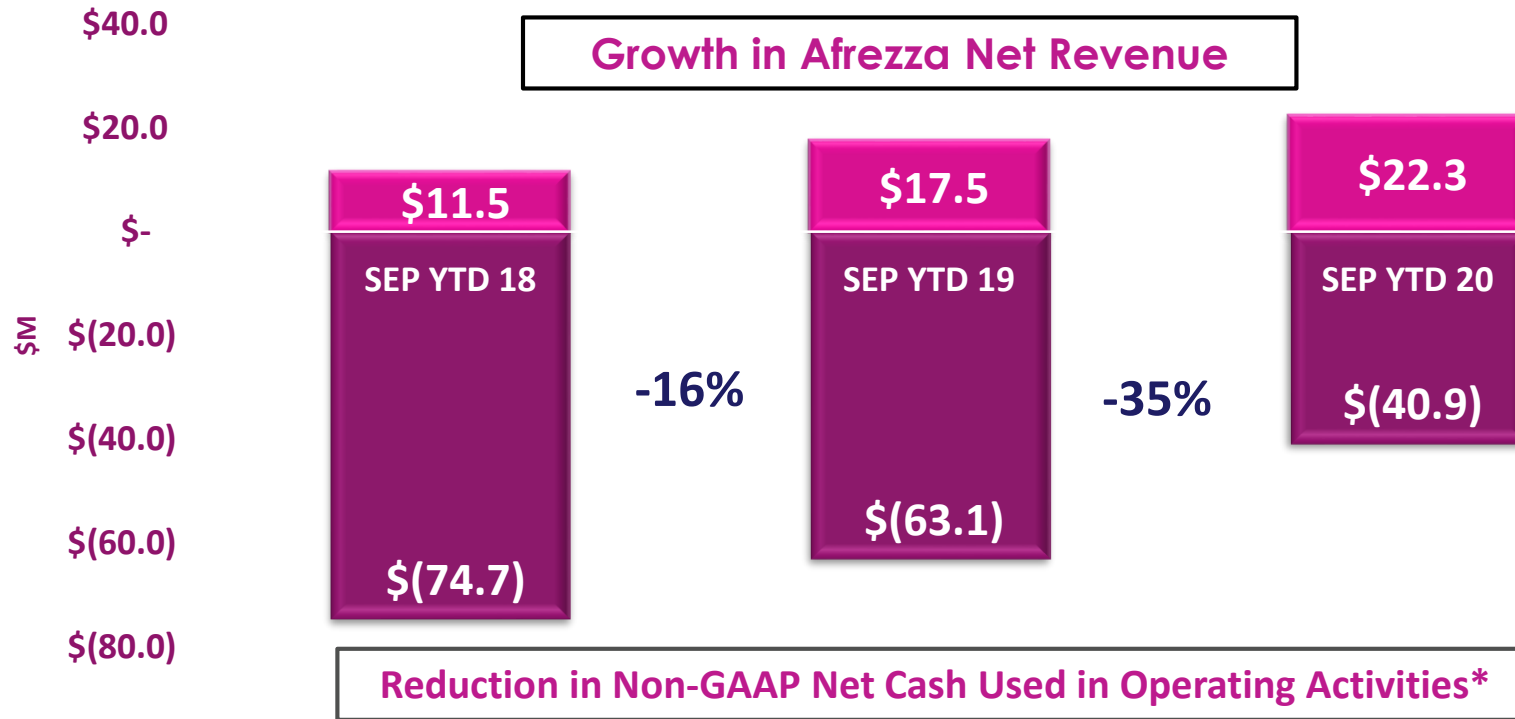
	(\$M)	1Q 2019	2Q 2019	3Q 2019*	4Q 2019	1Q 2020	2Q 2020	3Q 2020
Net Revenue - Afrezza		5.1	6.1	6.4	7.8	8.0	7.0	7.3
Cost of Goods Sold - Afrezza		(4.0)	(4.3)	(4.3)	(4.6)	(4.2)	(3.7)	(3.6)
Gross Profit - Afrezza		1.1	1.7	2.1	3.1	3.8	3.3	3.7
Gross Margin - Afrezza		21%	29%	32%	40%	48%	47%	51%

## Afrezza Gross Margin



\* 3Q 2019 Afrezza COGS, Gross Profit and Gross Margin excludes \$2.75M AMPH Amendment Fees. Please see GAAP to Non-GAAP reconciliation at end of presentation.

# Improving Operating Cash Efficiency



Avg Qtrly Non-GAAP  
Net Cash Used in  
Oper Activities:

**\$24.9M**

**\$21.0M**

**\$13.6M**

**Michael Castagna**  
Chief Executive Officer

**Growing Our Future**



# What to Expect As We Close 2020 and Move into 2021

- **Afrezza**

- Expand Integrated Care Model to Improve Experience and Margins
  - AfrezzaAssist - streamlines reimbursement support
  - Telehealth collaboration
  - Transition “Bridge” (Free Goods) program to AfrezzaAssist to significantly lower costs
    - New patients starting 11/1/2020
    - All patients by 12/31/2020
    - Expect some impact to NRx/TRx over next 12 weeks, but we don't expect a negative impact to revenue
  - Enhance product distribution model to lower costs and improve patient access
- Reduce sample volume by launching new 27-count titration sample pack
- Launch BluHale Pro trainer for Healthcare Providers
- 6 new scientific publications (in addition to 14 new scientific releases in 2020)
- Expect pediatric phase 3 study protocol to be submitted to FDA in Q4



# What to Expect As We Close 2020 and Move into 2021

- **Treprostinil Technosphere (TreT)**

- Expect to receive 4<sup>th</sup> milestone of \$12.5M from UTHR in 4Q
- Anticipate shipping \$0.8M in clinical inventory in 4Q and expect additional purchases in 2021
- Expect to complete clinical and CMC work to support NDA submission
- Timelines
  - Expect UTHR to file **TreT** 505(b)(1) NDA by April 2021
    - Expect FDA approval YE 2021-1 Q 2022
  - Tyvaso label expansion approval for PH-ILD expected April 2021
    - No current approved treatments for WHO Group 3 patients (~30k) with PH-ILD
    - PH-ILD indication for **TreT**: planned study (BREEZE-2) to be conducted in 2021
- United Therapeutics are planning for additional clinical studies for Tyvaso for PH-COPD and Chronic Fibrosing Interstitial Lung Disease (CFILD).

# What to Expect As We Close 2020 and Move into 2021

- **Technosphere Pipeline**

- Completed formulation work and progressing two new pipeline assets
- Sumatriptan moved forward into large animal model testing

- **Capital Expectations for next 12 months**

- Ended 3Q with \$52.7M
- Expect 4Q milestone payment of \$12.5M from United Therapeutics
- MidCap 3<sup>rd</sup> tranche of \$25M potentially available in 1H 2021 (subject to milestone conditions)
- Exploring a sale-leaseback of the Danbury facility
- Will continue to look for operating efficiency opportunities to drive both top and bottom line growth

# The Transformation of Our Revenue Growth Drivers Should Continue to Deliver Future Shareholder Value

**Afrezza Pediatrics**

**Afrezza International Expansion**

**Collaboration & Pipeline Royalties**

**U.S. Afrezza (adults)**

**Technosphere Platform**

**Thank you**  
(Contact: [IR@mannkindcorp.com](mailto:IR@mannkindcorp.com))

# GAAP to Non-GAAP Reconciliations

	(\$M)	3Q 2019	YTD 2019
Net Afrezza Revenue		6.4	17.5
Cost of Goods Sold		(7.1)	(15.4)
<b>GAAP Gross Profit</b>		<b>(0.7)</b>	<b>2.1</b>
Exclude Amphastar Amendment F		2.8	2.8
<b>Non-GAAP Gross Profit</b>		<b>2.1</b>	<b>4.9</b>
<b>Non-GAAP Gross Margin</b>		<b>32.1%</b>	<b>27.6%</b>
<b>GAAP Cost of Goods Sold</b>		<b>(7.1)</b>	<b>(15.4)</b>
Exclude Amphastar Amendment F		2.8	2.8
<b>Non-GAAP Cost of Goods Sold</b>		<b>(4.3)</b>	<b>(12.7)</b>

	YTD 2018	YTD 2019	YTD 2020
<b>GAAP Net Cash Used in Operating Activities</b>	<b>(62.7)</b>	<b>(83.4)</b>	<b>(28.4)</b>
License fee received from Cipla	(2.0)		
Milestone received from UTHR		(12.5)	(12.5)
Research fee received from UTHR	(10.0)		
PIK interest on promissory notes		32.8	
<b>Non-GAAP Net Cash Used in Operating Activities</b>	<b>(74.7)</b>	<b>(63.1)</b>	<b>(40.9)</b>