

ACCORDA[®]
T H E R A P E U T I C S

ANNUAL REPORT 2020

LETTER FROM THE CEO

DEAR SHAREHOLDER:

At the beginning of 2020, we established a clear set of goals for the year, and I am pleased to report that we achieved all of them. These goals were:

1. Monetize the excess capacity of our Chelsea manufacturing facility
2. Improve our balance sheet
3. Reduce our cost structure
4. Accelerate the INBRIJA® (levodopa inhalation powder) trajectory
5. Maintain the franchise for AMPYRA® (dalfampridine) Extended Release Tablets, 10 mg



MONETIZE THE EXCESS CAPACITY OF OUR CHELSEA MANUFACTURING FACILITY

In January 2021, we announced that we had entered into an agreement to sell our manufacturing operations to Catalent. The transaction then closed in February 2021 and Acorda received net proceeds of approximately \$74 million. The deal substantially reduced both our operating expenses and our cost of goods (COGS) for INBRIJA.

The deal also included a global supply agreement for INBRIJA, ensuring it will continue to be manufactured to the highest quality standards and made available to people with Parkinson's worldwide. Acorda's associates at the Chelsea plant became Catalent employees, continuing to manufacture INBRIJA. The reduction in COGS has increased interest by potential commercialization partners for INBRIJA outside the US, and we are currently engaged in discussions with multiple parties.

IMPROVE OUR BALANCE SHEET

We also achieved our goal of strengthening our balance sheet. We brought in over \$100 million in additional, non-dilutive cash in addition to product revenues. This included the \$74 million net up-front payment from Catalent, a \$15 million milestone payment from Biogen for FAMPYRA™, and a \$12.7 million tax refund under the CARES act.

REDUCE OUR COST STRUCTURE

We have reduced our expected operating expenses for 2021 by about \$40 million, or 23%, over our 2020 expenses. These reductions included \$10 million from the sale of our manufacturing operations, \$6 million from a 16% headcount reduction in our Ardsley and field teams, and \$24 million in additional cost reductions.

ACCELERATE THE INBRIJA TRAJECTORY

Prescribers were enthusiastic about INBRIJA when we launched it in March of 2019, and for the first few months we saw high rates of prescribing. However, prescriptions decreased in the latter part of 2019. We believe this was initially due to poor access to INBRIJA and consequent frustration for the prescribers.

However, as we significantly improved access, and more patients were able to fill their prescriptions, we then saw higher-than-expected early discontinuations from the medication. We learned that these were often due to an unsatisfactory early experience for patients, which appeared related to suboptimal training about the proper use of the device and inhalation method. This was partly due to the need for improved training materials and also to a lack of hands-on training in physician offices - about 30% of patients reported receiving no in-office training when they received their prescriptions.

We responded by implementing several new training initiatives in 2020. We updated our training video, developed a clear, simple "Helpful Hints" guide, and sent a letter with the guide to patients who had either never filled a prescription or discontinued therapy without a refill. This resulted in approximately 250 patients returning to therapy.

We also added Nurse Educators, who are available by phone or video to coach patients on the most effective methods for inhalation and administration of INBRIJA. In addition to responding to patient inquiries, they call every patient who receives a new INBRIJA prescription to offer training and answer questions. This has been highly effective; patients who have spoken with a Nurse Educator have had a 20% higher refill rate than those who have not. We are continuing this program in 2021.

In 2020, our customer service team also reached out to patients whose prescriptions had been canceled or discontinued, to answer questions and provide additional tips and training. To date, approximately 1,000 of these patients have filled, or refilled, their prescriptions.

We also implemented a telemedicine initiative, in which qualifying commercial patients can consult with a neurologist online and, where appropriate, receive a prescription for INBRIJA. We saw progressively increasing prescriptions in the first quarter of 2020; however, in March 2020 physician offices closed due to the pandemic, resulting in an acute decline in prescriptions. Throughout 2020, the pace of INBRIJA prescriptions closely mirrored COVID-19 infections - with each new surge, prescriptions decreased, increasing again as each surge receded.

As of March 2021, our sales team has returned to making in-person visits to physicians' offices. We believe that the programs we established in 2020 have laid the groundwork for an acceleration in adoption of INBRIJA, once patients return to physicians' offices in normal volumes and more of the offices become available to in-person visits by our sales team and Medical Science Liaisons.

MAINTAIN OUR AMPYRA FRANCHISE

We have been very pleased with the durability of the AMPYRA franchise since generics became available in September of 2018. Brand loyalty continues to be high and we are continuing to support key activities for the brand, such as our First Step free trial program, reimbursement support, and co-pay mitigation for commercially insured patients. We were encouraged to see that approximately 150 new doctors wrote prescriptions for the AMPYRA brand in 2020.

2021 GUIDANCE

For the full year 2021, we expect operating expenses to be \$130 - \$140 million.* AMPYRA net revenue for the full year 2021 is expected to be \$75 - \$85 million. We are not providing revenue guidance for INBRIJA at this time, given the uncertainties related to the pandemic.

2021 PRIORITIES

In 2020 we made significant progress to position Acorda for long-term success. In 2021 we will focus on the following priorities:

1. Continue to drive INBRIJA's commercial growth by increasing patient demand, improving the physician and patient experience, and continuing to make progress in expanding access.
2. Continue to support the AMPYRA franchise, which is a significant contributor to Acorda's revenue.
3. Continue to optimize our financial structure to create long-term value for shareholders. A key deliverable will be addressing our \$69 million debt payment, due in June of this year.
4. Build on the ARCUS® technology platform, which has now been validated by the approval on INBRIJA in the US and the EU.

On behalf of our Leadership Team, Board of Directors and our associates, thank you, our shareholders, for your continued support. We look forward to building on our work in 2021 to build substantial shareholder value.

RON COHEN, M.D.
PRESIDENT AND CEO

*This guidance is a non-GAAP projection that excludes restructuring costs and share-based compensation charges. Due to the forward looking nature of this information, the amount of compensation charges needed to reconcile this measure to the most directly comparable GAAP financial measure is dependent on future changes in the market price of our common stock and is not available at this time.

MANAGEMENT

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Executive Officer*

Burkhard Blank, M.D.
*Chief Medical Officer
and Head of R&D*

Peter S. Carbone
*Executive Vice President,
Quality*

Denise Duca, Ed.M.
*Executive Vice President,
Human Resources*

Andrew Mayer, J.D.
*Deputy General Counsel
and Corporate Secretary*

Lauren Sabella
Chief Commercial Officer

Tierney Saccavino
*Executive Vice President,
Corporate Communications*

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