ANNUAL REPORT 2019

LETTER FROM THE CEO

DEAR SHAREHOLDER:

2019 marked the commercial launch of INBRIJA® (levodopa inhalation powder) – an important milestone for Acorda and for those living with Parkinson's disease. It was also a year of major challenges, and Acorda's leadership team and board are working together to address those challenges and to set Acorda on a path to increasing shareholder value.

INBRIJA – THE FIRST AND ONLY INHALED LEVODOPA FOR THE TREATMENT OF OFF PERIODS IN PARKINSON'S

INBRIJA is unique among Parkinson's treatments. Levodopa is widely considered the gold standard treatment for Parkinson's disease; however, for many people with Parkinson's, or PWPs, their oral dose of levodopa can wear off before their next dose is due, leading to the re-emergence of Parkinson's symptoms, or OFF periods. INBRIJA can help to bridge between those doses, with onset of action seen as early as 10 minutes from inhalation. We believe that INBRIJA will become a standard of care for the treatment of OFF periods in people with Parkinson's. INBRIJA is not recommended for those with chronic lung disease, such as asthma or COPD.

WHERE WE SUCCEEDED IN 2019

We put drug in the channel on February 28, 2019 and our priorities through the end of the year were to educate physicians and other healthcare professionals about the clinical profile for INBRIJA, and to achieve insurance reimbursement. We were successful in these efforts; our market research showed 75% unaided and 92% aided awareness of the medication by physicians. In addition, 78% of those physicians who were aware of INBRIJA stated that they intended to increase prescribing in 2020.

We also reached agreements with several major payers and Pharmacy Benefit Managers (PBMs), achieving formulary coverage for 72% of commercial health plan lives, which was above our internal target for the year. For those with Medicare, approximately 25% of covered lives now have access, which was in line with our original internal projections. Medicare is historically slower to add drugs to formulary and we are working to continue to improve this access.

WHAT WE GOT WRONG

INBRIJA's launch trajectory has been substantially slower than we anticipated. In analyzing our data and feedback from the market during 2019, there are factors that influenced both prescribing behavior and patient compliance more than we originally appreciated they would:

- While our market research has consistently returned highly positive feedback from healthcare professionals (HCPs) regarding medical need and the role of INBRIJA in addressing it, this did not translate into high volume early adoption.
- Managed care access for newly approved medications in Parkinson's disease has grown increasingly restrictive over the past several years, and new drugs that have entered this market have had major access challenges as soon as they launched. Physicians have been conditioned to expect that new drugs will be widely restricted at launch and that prescribing them will incur heavy burdens on their teams. In fact, INBRIJA was widely restricted at launch, resulting in long delays in patients obtaining the medication and requiring physicians' offices to invest significant time in working with insurers to get individual prescriptions approved. This caused physicians to greatly reduce their willingness to prescribe until access to the medication was opened more broadly.
- We also learned that cough may be a more bothersome experience for patients than our clinical studies had suggested. In the pivotal study, the reported incidence of cough as an adverse event was 15%, with approximately 2% dropping out due to cough. We now believe that these clinical trial data do not entirely represent patients' experiences in clinical practice, especially when they first try INBRIJA. Many patients have reported an uncomfortable experience on initial use, which can lead them not to continue to use it. We believe that the training for patients during the clinical studies was generally more effective in encouraging them to persist through the first few doses. Therefore, we are now supplementing our training materials and messaging, and focusing on supporting the patient experience.

EVOLUTION OF OUR MARKETING FOCUS

As we have now achieved high levels of awareness among HCPs, in 2020 we are weighting our marketing programs towards PwPs. Our market research indicates that approximately two-thirds of patients who ask their physicians about INBRIJA may receive a prescription for it. We are implementing a number of programs to reach this community, including patient ambassadors who have had successful experiences with INBRIJA and sophisticated digital advertising and programming. These efforts are focused on raising awareness of INBRIJA among PwPs and encouraging them to discuss it with their physicians.

EU

Our Marketing Authorization Application (MAA) for INBRIJA to the European Medicines Agency (EMA) was approved in September 2019. We are in discussions with potential partners for the commercialization of INBRIJA in Europe, Japan and other geographies outside the U.S.

AMPYRA® (dalfampridine) EXTENDED RELEASE TABLETS, 10mg

AMPYRA became subject to generic competition in September 2018. Five generic formulations have since entered the market. While sales of AMPYRA have declined substantially, it continues to contribute valuable revenue for Acorda, with 2019 net sales of $163 million, higher than many independent projections. We believe that the relative strength of this product is due to a number of strategies we implemented beginning in 2017. We have also continued to support patients and their healthcare professionals with our 60-day free trial program, and with our support services, which responds to their questions and helps to navigate the complex insurance landscape.

FOCUSING ON OUR CAPITAL STRUCTURE AND MANAGING OPERATING EXPENSES

In 2019, we took significant steps to address our outstanding convertible notes and control our operating expenses. In October, we announced a corporate restructuring that reduced our headcount by approximately 25%, with a savings of more than $60 million in annualized operating expenses. While difficult, this action aligned our organizational structure more closely to our revenue stream. We also dramatically reduced operating expenses, from $252 million in 2019 to a projected $170-$180 million in 2020. We are continuing to seek additional operating efficiencies.

In December 2019, we announced that we successfully exchanged 80% of our outstanding convertible notes due 2021, extending the maturation date of the new convertible notes to December 2024, with a conversion premium of $3.50, about 95% above the then market price. We are now evaluating options to address the remaining $69 million "stub" of the 2021 notes, which is due in 2021.

2020 PRIORITIES

- Accelerate INBRIJA's growth
- Continue to support the AMPYRA franchise
- Manage our cost structure and strengthen our balance sheet

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 2019 to build substantial shareholder value.

RON COHEN, M.D.
PRESIDENT AND CEO

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