

**ACCORDA**<sup>®</sup>  
T H E R A P E U T I C S

**ANNUAL REPORT 2021**

# LETTER FROM THE CEO

## Dear Fellow Shareholder:

The past three years have been challenging for Acorda and its shareholders. Generic competitors to AMPYRA® (dalfampridine) Extended Release Tablets, 10 mg entered the market in 2018; we also experienced a slower-than-anticipated launch of INBRIJA® (levodopa inhalation powder), magnified by the onset of the pandemic. The Company has taken decisive actions to address these challenges and has made substantial progress in doing so, particularly in 2021.

Management and the Board established the following key priorities for Acorda at the beginning of the year:

1. Strengthen the Company's balance sheet
2. Align our cost structure to our revenue
3. Increase INBRIJA's sales trajectory
4. Obtain ex-US commercialization partnerships for INBRIJA
5. Achieve our guidance range for AMPYRA

*I'm pleased to report that we achieved all of these priorities.*

## STRENGTHENED THE COMPANY'S BALANCE SHEET

In January 2021, we announced an agreement to sell our manufacturing operations to Catalent. The transaction 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 for INBRIJA.

The proceeds from that sale enabled us to repay \$69 million in short-term convertible debt that was due in June 2021. This removed a significant financial overhang. In addition, we received a \$4.2 million tax credit from the CARES Act in 2021.

Looking ahead to 2022, we expect to receive additional revenue from ex-US sales of INBRIJA and from the royalties on Biogen's ex-US sales of FAMPYRA, which we anticipate will revert to us in mid-2022. Acorda has a tiered, double-digit royalty on these sales, which we sold to Healthcare Royalty Partners in 2017. We expect the obligations in that agreement to be fulfilled by about the middle of this year.

## ALIGNED OUR COST STRUCTURE TO OUR REVENUE

The sale of our manufacturing operations also reduced our operating expenses. Additionally, in 2021 we implemented headcount and other expense reductions that we expect will reduce the Company's annual operating expenses by about \$60 million, or approximately a third, in 2022 over 2020.

We believe that these will be important contributors to our goal of being cash-flow neutral on a run-rate basis by the end of 2022 and cash-flow positive in 2023.

## INCREASED INBRIJA'S SALES TRAJECTORY

Despite the continuing impact of the COVID-19 pandemic, we were pleased to see 2021 INBRIJA net sales increase by 22% over 2020, to \$29.6 million. Importantly, we also saw a 24% increase in organic growth in the fourth quarter of 2021 over Q4 2020. We measure organic growth by dispensed cartons; patients can get up to five cartons in a prescription, so this metric most accurately reflects demand. Notably, in 2021 the average number of cartons per prescription increased from 2.5 to 2.8.

We believe that receding of the pandemic will present significant opportunities to accelerate INBRIJA's growth:

- The resuming of a more normal schedule of in-person office visits, the reopening of many practices to in-person interactions with our sales representatives, and the resumption of in-person speaker programs all will enable us to educate more effectively about the potential benefits and correct use of INBRIJA. These will also enable physicians and other health care providers to provide in-person training to their patients, which is key to the correct use of the product.
- We also have learned from people with Parkinson's that they are eager to resume a more active lifestyle, and therefore we expect them to be even more receptive to the benefits that INBRIJA can provide in addressing their OFF periods.
- We have continued to refine our digital targeting and outreach for patients, their care partners, and healthcare providers. We have added "before and after" videos to the INBRIJA.com website which compellingly demonstrate INBRIJA's potential benefits. Our online ads have accumulated millions of views and resulted in hundreds of thousands of visits to our websites, and we will continue to enhance these programs in 2022.
- We have implemented an e-prescribing platform nationally, removing friction from the prescribing process and making it easier for doctors to write prescriptions for INBRIJA.

## OBTAINED EX-US COMMERCIALIZATION PARTNERSHIPS FOR INBRIJA

In November 2021, we announced an agreement with Esteve to commercialize INBRIJA in Germany, the largest pharmaceutical market in Europe and fourth largest in the world. Acorda received a \$5.9 million upfront payment; we also will receive a significant double-digit percent of the selling price for supply of the product and additional milestone payments based on net sales. Esteve expects to launch INBRIJA in Germany in mid-2022.

We also executed an agreement with Esteve to commercialize INBRIJA in Spain, and they expect to launch there in early 2023. Acorda will receive a significant double-digit percent of the selling price of INBRIJA in Spain in exchange for supply of the product. We are in active discussions with several parties to commercialize INBRIJA in other territories in Europe and rest of world.



### ACHIEVED THE TOP OF OUR GUIDANCE RANGE FOR AMPYRA

AMPYRA 2021 net revenue was \$84.6 million, at the top of our guidance range. Net sales remained stable quarter over quarter throughout 2021, as the rate of decline against generic competition appeared to be leveling off. While we expect sales to continue to decline over time, we have been very pleased by the brand's durability to date. AMPYRA is providing vital revenue as we work to accelerate the growth of INBRIJA.

In 2021, approximately 225 new doctors wrote prescriptions for branded AMPYRA, up from 150 new doctors in 2020. Brand loyalty continues to be high, and we have earned this loyalty: our field sales team continues to call on multiple sclerosis specialists where they have maintained strong relationships, and we have continued our First Step program, in which commercially insured patients receive their initial two months of AMPYRA free. We also provide co-pay mitigation for commercially insured patients, as well as ongoing education and physician and reimbursement support.

### LEADERSHIP ADDITIONS AND CHANGES

We announced several key additions and changes to our leadership team in 2021. John Varian was appointed to Acorda's Board of Directors in January 2022. John is an experienced biotech veteran. He has held both CEO and CFO roles and has experience on several biotech boards.

Mike Gesser joined Acorda as CFO in November 2021. Mike has held senior finance positions at both large and small companies, including Allergan. He is enhancing our ability to maintain fiscal discipline, increase the efficiency of our organization, and continue to build shareholder value.

Neil Belloff joined Acorda as General Counsel in November 2021. Neil has extensive senior legal experience at biopharma companies such as Celgene, and also served at the Securities and Exchange Commission.

Lauren Sabella moved from Chief Commercial Officer to the role of Chief Operating Officer, while Kerry Clem, who had served as EVP of Sales and Market Access, was named Chief Commercial Officer.

Our ability to attract and retain this high level of executive talent, notwithstanding the Company's current challenges, is indicative of both the Company's culture and the opportunity Acorda presents to build shareholder value going forward.

### 2022 GUIDANCE

For the full year 2022, we expect operating expenses to be \$110 - \$120 million.\* We project AMPYRA net revenue for the full year 2022 to be \$68 - \$78 million. We are not providing revenue guidance for INBRIJA at this time, while uncertainties related to the pandemic continue.

### 2022 PRIORITIES

In 2022 we plan to build on the significant progress we made in 2021, focusing on the following priorities to create long-term value for shareholders:

- Drive INBRIJA's commercial growth by implementing new programs to convey the need for INBRIJA, improve the physician and patient experience, and accelerate demand. To the extent that the pandemic continues to wane, we will also target our messaging to patients as they resume pre-pandemic levels of activity by addressing their OFF periods
- Continue to support AMPYRA and maintain as much as possible its significant contribution to Acorda's revenue
- Continue to optimize our financial structure
- Enter into additional partnerships for ex-US commercialization of INBRIJA
- Seek partnerships to develop biopharmaceutical candidates with the ARCUS technology platform, which has now been validated by the approval of INBRIJA in the US and the EU

On behalf of our Leadership Team, Board of Directors, and our associates, thank you for your continued support. We look forward to updating you on Acorda's further progress in 2022.

**RON COHEN, M.D.**  
PRESIDENT AND CEO

\*This guidance is a non-GAAP projection that excludes certain items as more fully described under "Non-GAAP Financial Measures" in our financial results press release dated 3/9/22, which is available in the investor relations section of our website at [www.acorda.com](http://www.acorda.com).



# MANAGEMENT

## LEADERSHIP TEAM

**Ron Cohen, M.D.**  
*President and Chief  
Executive Officer*

**Neil Belloff**  
*General Counsel*

**Kerry Clem**  
*Chief Commercial Officer*

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

**Michael Gesser, M.B.A.**  
*Chief Financial Officer*

**Lauren Sabella**  
*Chief Operating Officer*

## BOARD OF DIRECTORS

**Ron Cohen, M.D.**  
*Founder*

**Peder K. Jensen, M.D.**  
*Board Member since 2011*

**John P. Kelley**  
*Board Member since 2008*

**Sandra Panem, Ph.D.**  
*Board Member since 1998*

**Lorin J. Randall**  
*Board Member since 2006*

**John Varian**  
*Board Member since 2022*



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## CONTACT

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