



Company Overview

October 2020
NASDAQ: ACCD

This presentation contains “forward-looking statements” –that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would” or similar expressions. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: our ability to achieve or maintain profitability; our reliance on a limited number of customers for a substantial portion of our revenue; our expectations and management of future growth; our market opportunity and our ability to estimate the size of our target market; the effects of increased competition as well as innovations by new and existing competitors in our market; and our ability to retain our existing customers and to increase our number of customers. Important risks and uncertainties that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: (i) changes in laws and regulations applicable to our business model; (ii) changes in market or industry conditions, regulatory environment and receptivity to our technology and services; (iii) results of litigation or a security incident; (iv) the loss of one or more key customers or partners; (v) the impact of COVID-19 on our business and results of operation; and (vi) changes to our abilities to recruit and retain qualified team members. For a detailed discussion of the risk factors that could affect our actual results, please refer to the risk factors identified in our Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2020.

This presentation includes non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures. For example, other companies may calculate similarly-titled non-GAAP financial measures differently. Refer to the Appendix for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.





The Foundation

The Healthcare System Is Broken

Overuse, Underuse, Misuse

>\$200bn of annual healthcare spend is wasted

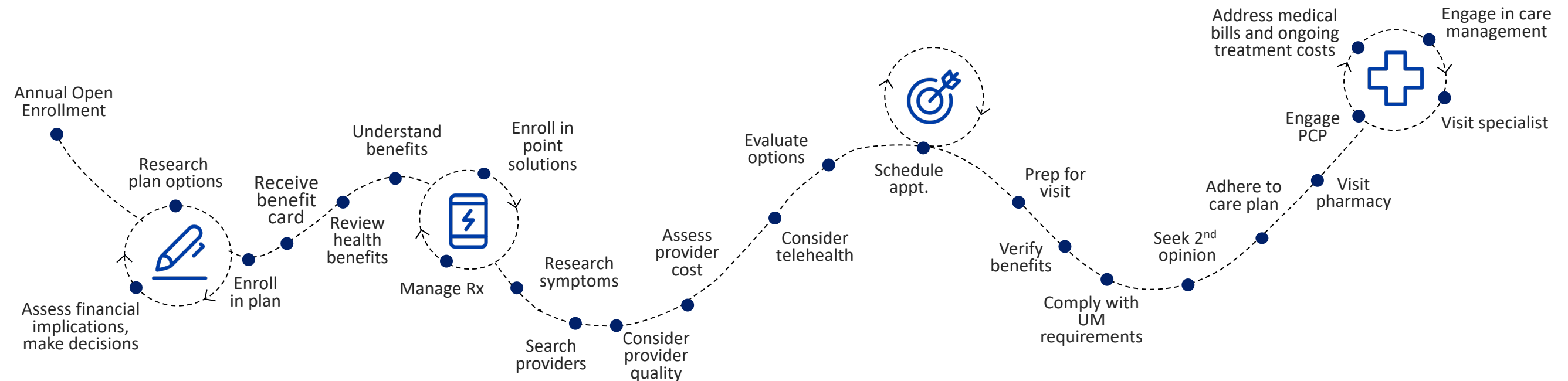
Failures in care delivery, shortcomings in **care coordination**, and widespread **overtreatment** and **low-value care**

Rising Costs

Large employers spend >\$10k per employee/yr, **costs rising 6% annually on avg**

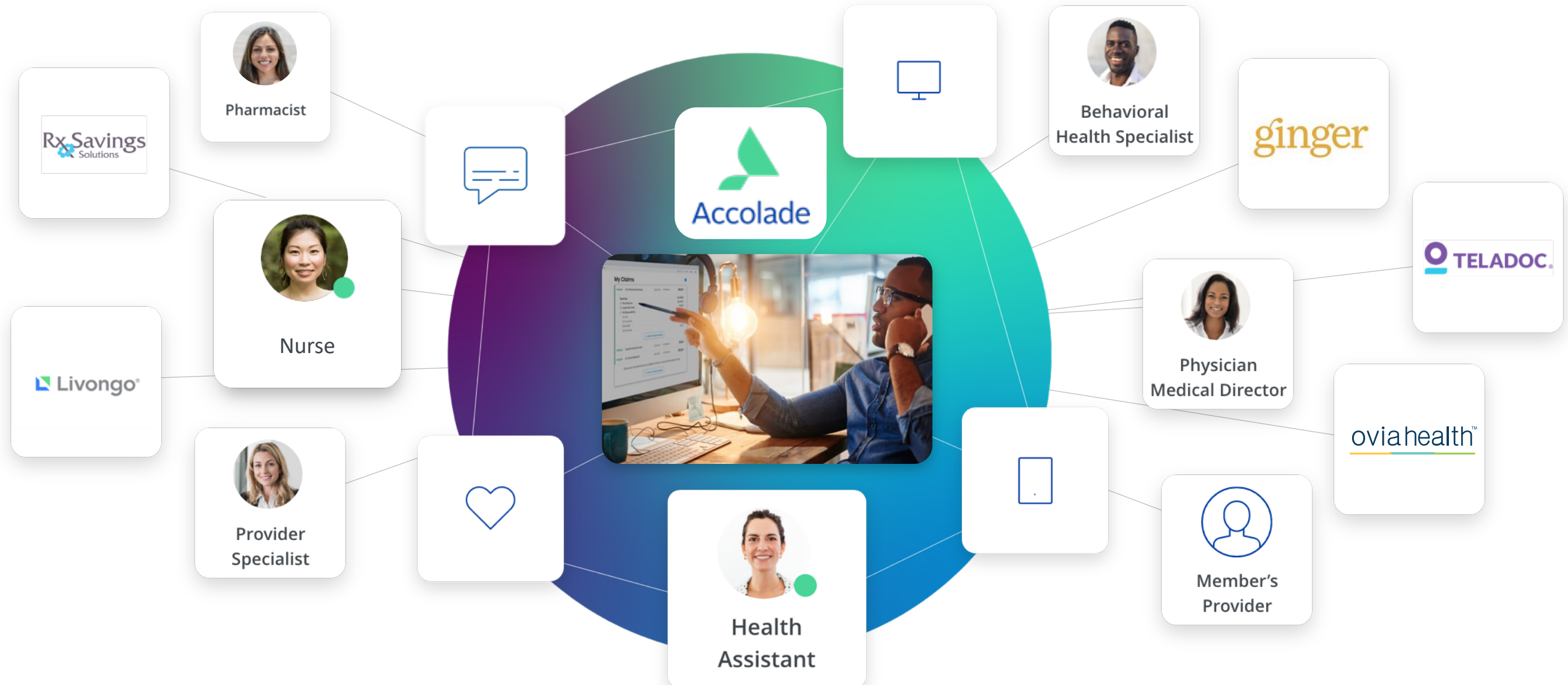
Avg premiums for family coverage **increased 54%** over the last ten years

Complex Consumer Journey



Accolade: A Single Place to Turn

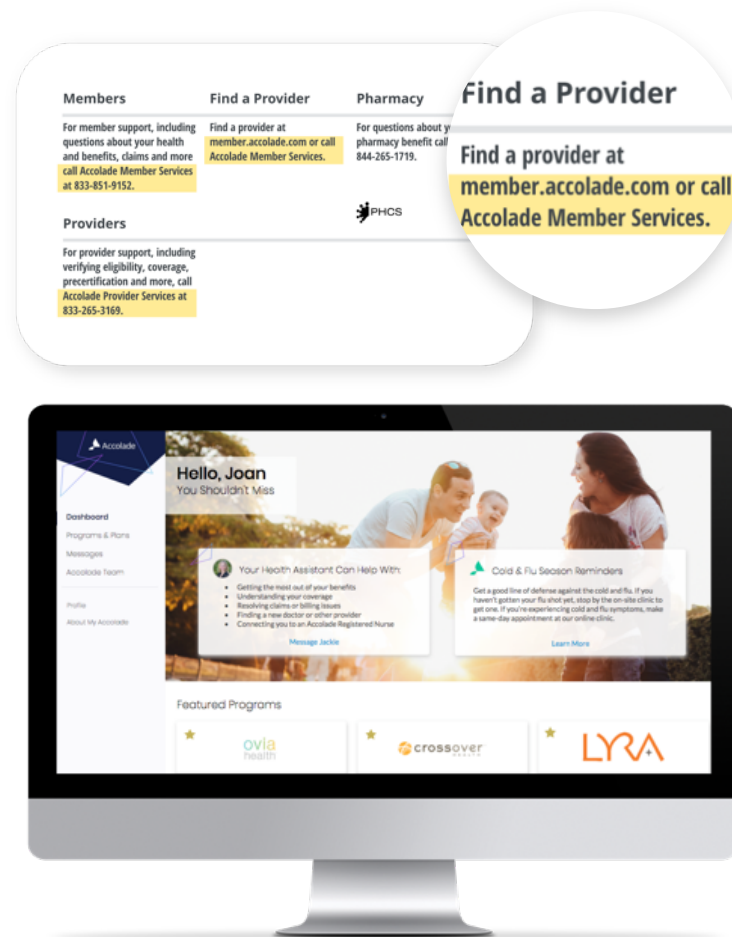
Our mission is to empower people through expertise, empathy, and technology to make the best decisions for their health and well-being



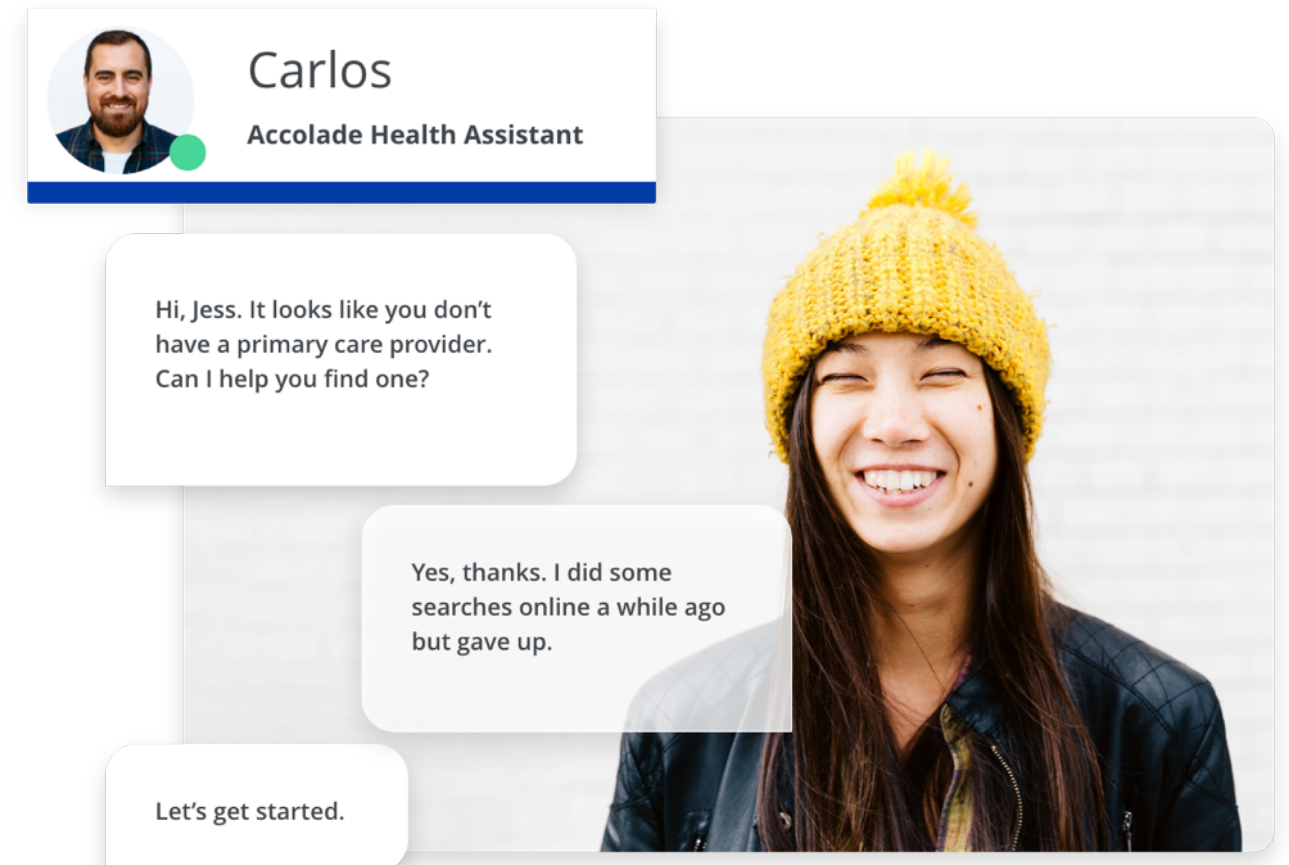
*Accolade does not provide medical care or establish patient relationships

A Differentiated Engagement Model...

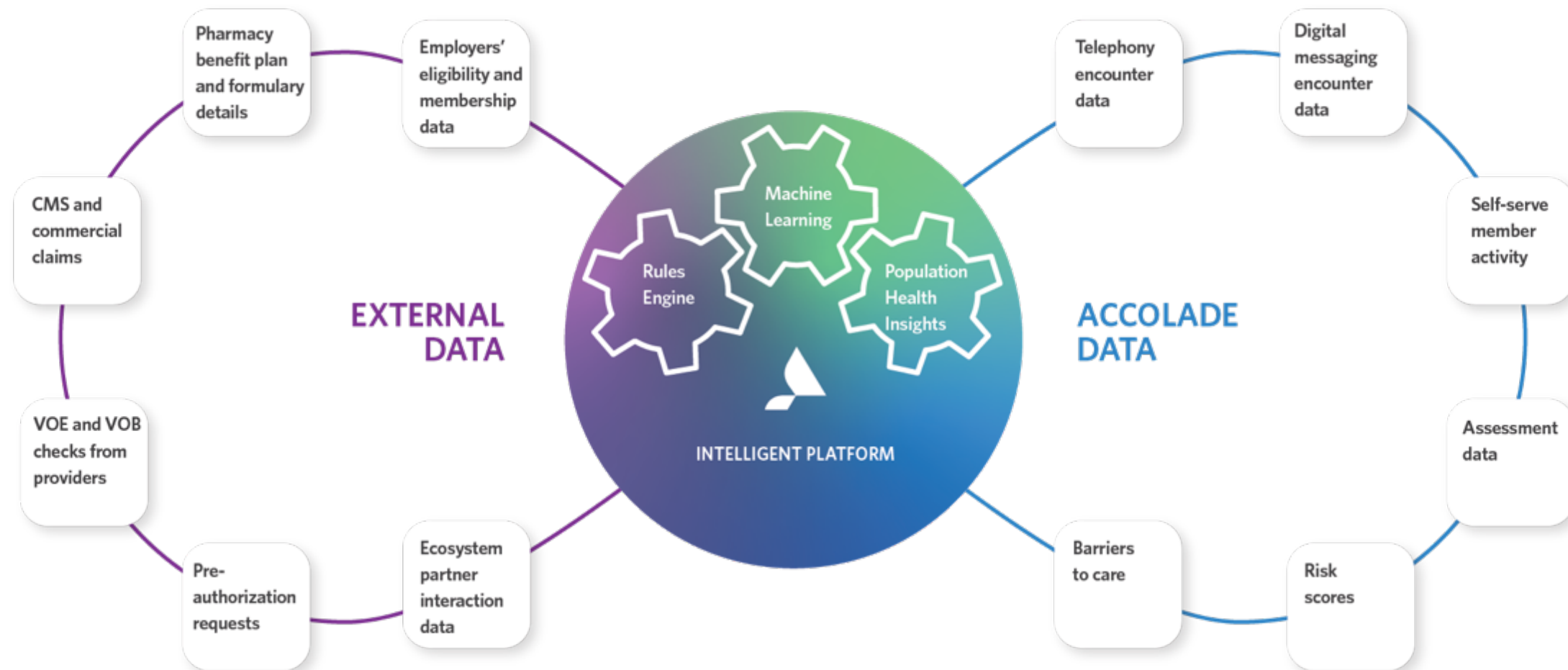
Meet members where they are
and deliver a seamless experience



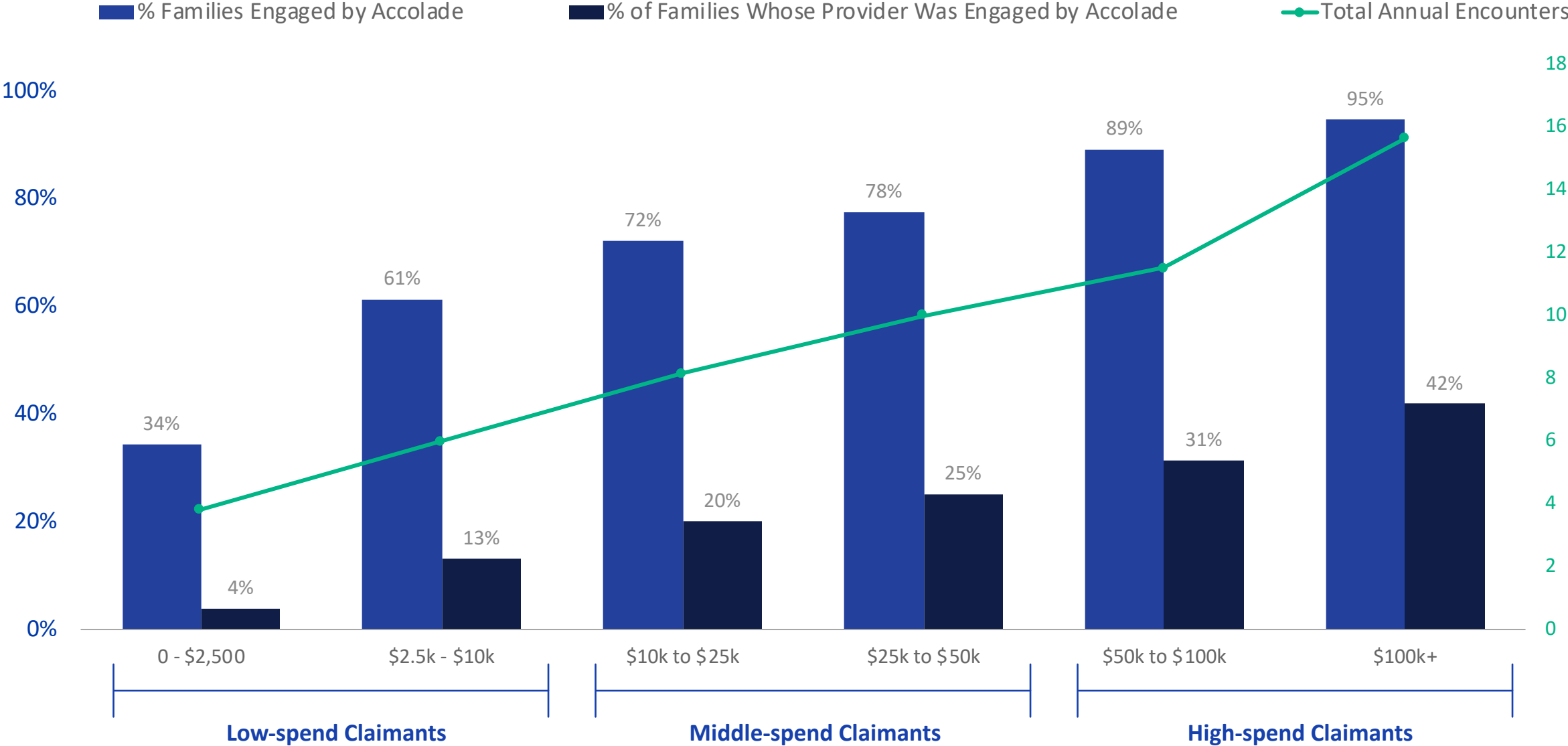
Gather and appreciate context,
act with empathy



...That Leverages Extensive Data Sets and Intelligence...

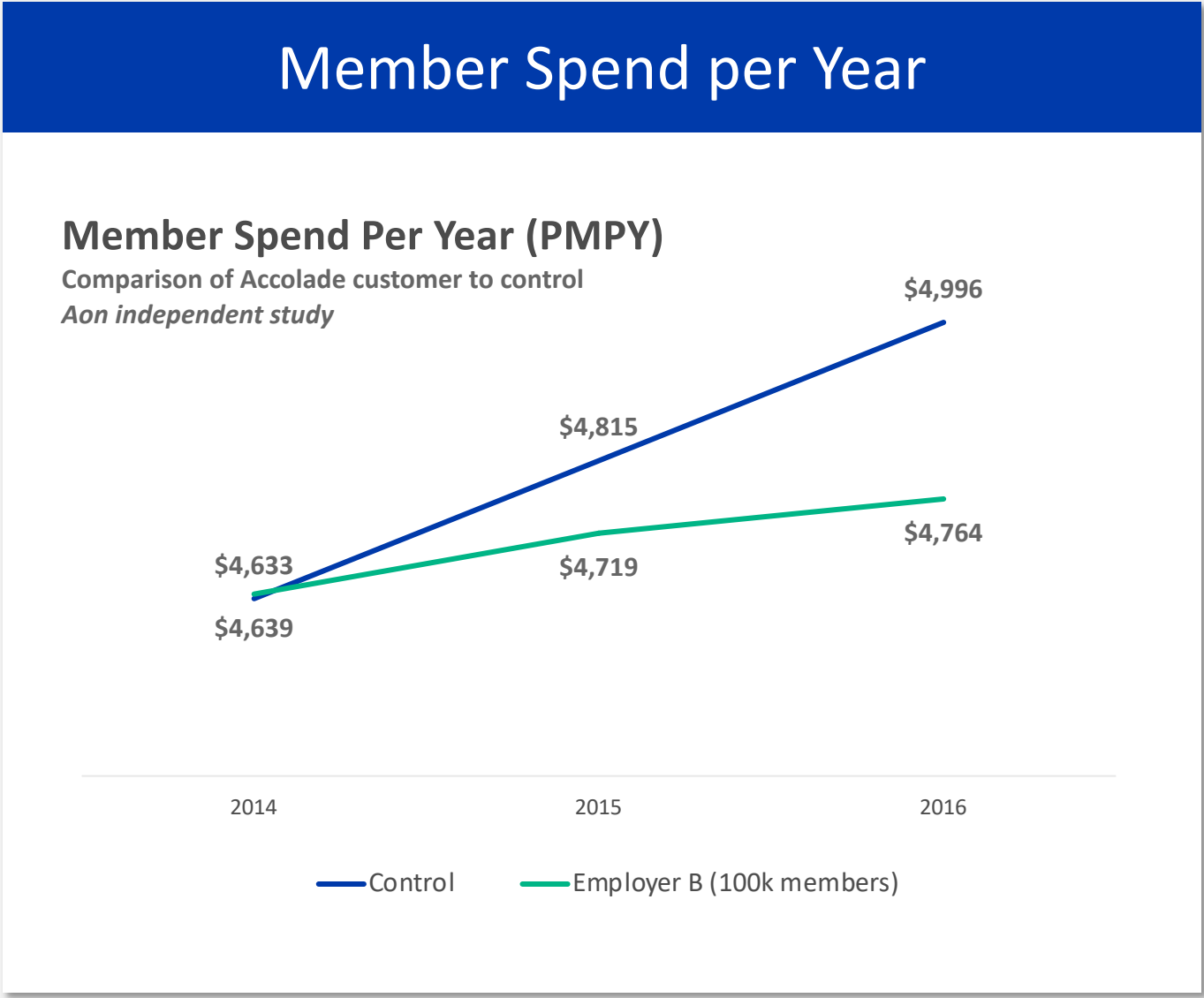
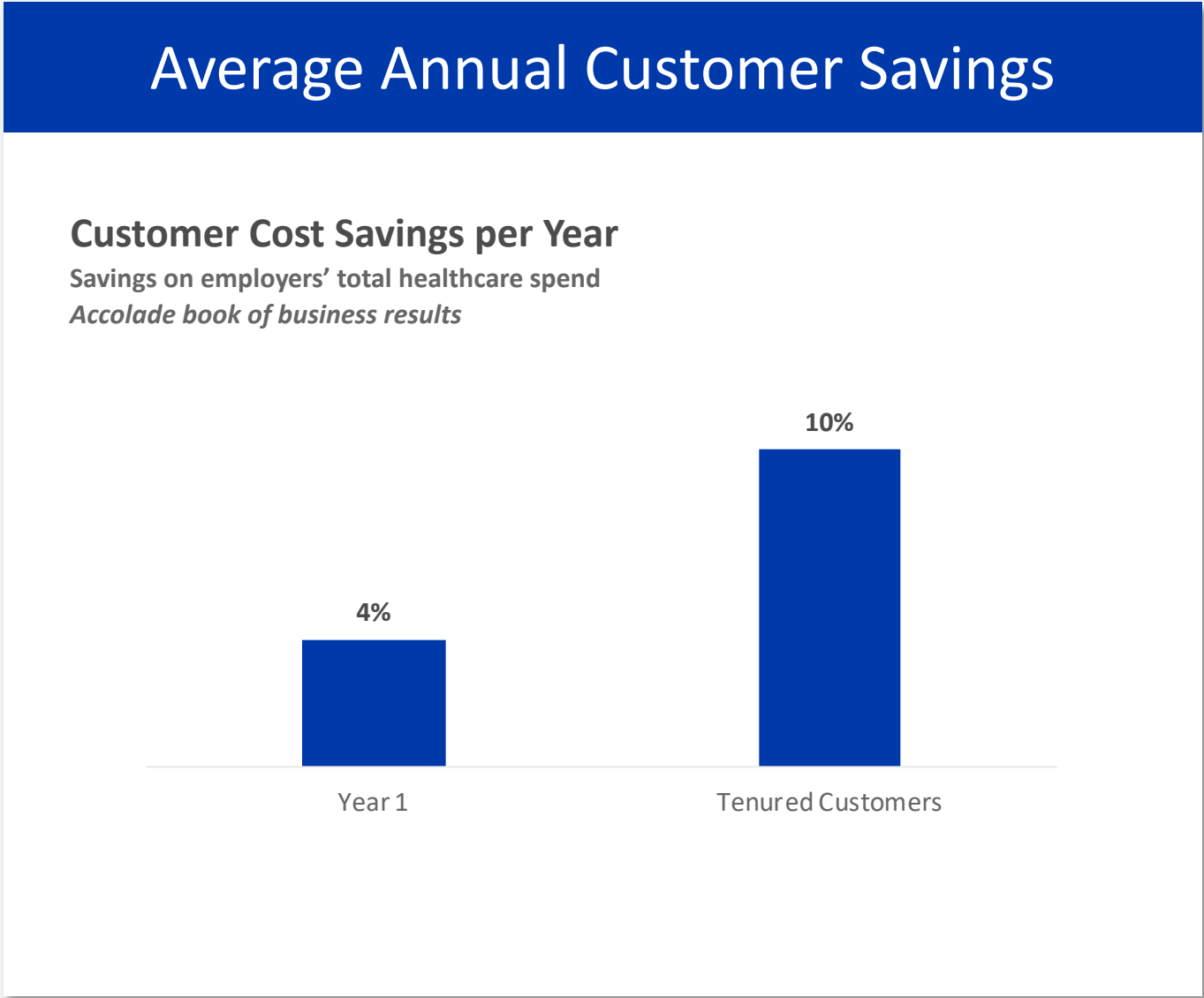


...Applied Across the Population



Source: Accolade Total Health & Benefits book of business data, Service Year 2019

Accolade: A Proven Model That Delivers Cost Savings



Source: Accolade Total Health & Benefits book of business results; “Accolade: The Effect of Personalized Advocacy on Claims Cost,” (Aon, Oct 2018)
Aon study evaluated two employer customers, Employer A (10k+ members) over a one-year period and Employer B (100k+ members) over a three-year period, and observed savings for Employer A of \$782 per employee per year (6.5% reduction vs. similar groups) and Employer B of \$527 per employee per year (4.6% reduction vs. similar groups). Savings were driven by lower inpatient, outpatient, and Rx spend across all members (0 chronic conditions to 3+ chronic conditions).




How We Do It: Clinical Philosophy

Evidence-based, data-driven, and pragmatic

Whole Population	Whole Person	Integrated
Engage across spend bands and risk profiles	Account for context and social determinants	Weave together care for all of an individual's needs
Attuned to Behavioral Health Needs	Relationship-Based	Proactive
Screen for BH issues consistently; deliver appropriate support	Build relationships that persist throughout care journeys	Draw on member, employer, and industry data to intervene early

Clinical Model Lowers Unnecessary Healthcare Utilization

Example: Improving knee pain-related utilization trends

Right Member	Right Decision	Right Path	Impact
<div></div> <div><ul style="list-style-type: none">Machine learning model proactively identifies members with high risk of knee surgery in the next 12 monthsMultichannel target outreach to high-risk members and referrals from member services</div>	<div></div> <div><ul style="list-style-type: none">Mayo clinic patient education materialsProvider quality data on surgery experience and complications, re-admits, and length of stay</div>	<div></div> <div><ul style="list-style-type: none">Shared decision making prior to seeing the PCP or specialistReferral to in-person or virtual physical therapy (e.g., Hinge)</div>	<div><p>↓ 31% knee MRIs</p><p>↓ 15% knee ER visits</p><p>↓ 64% outpatient knee surgery</p><p>↓ 79% inpatient knee surgery</p></div>

Source: Representative Accolade customer analysis (based on service dates from July 2018-July 2019)

A Platform for Driving Benefits Engagement

Benefit Categories



Apps and Portals



401k



Discount Programs



Tuition Reimbursement



Travel Insurance



Wellness and Health Optimizers



Telehealth and 2nd Opinion



EAP



PBMs



Benefits Admin



Livongo

vivante

Hinge Health

kaia

ginger

virta

TELADOC

ID

Rx Savings Solutions

ovia

meQuilibrium

omada

limeade

NATIONWIDE INSURANCE
Nationwide is on your side

REDBRICK HEALTH

WageWorks

Fidelity INVESTMENTS

dr. on demand

sedgwick

Virgin Pulse

MetLife

EXTRADE

crossover HEALTH

CVS CAREMARK

OPTUM

Bright Horizons

MERCER

WeightWatchers

WebMD

EXPRESS SCRIPTS

alight

Delta Dental

DELTA DENTAL

progyny
Smarter Fertility Benefits

UnitedHealthcare

KAISER PERMANENTE

Willis Towers Watson

rethink

vsp
Vision care for life

Ecosystem

Partner Program

Trusted Supplier

Accolade's Offerings

Core Offerings

Solutions designed to address customers' varied priorities, available at a range of price points and with different degrees of carrier integration

Accolade Total Health and Benefits

- ✓ Benefits engagement
- ✓ Clinical guidance
- ✓ Provider matching
- ✓ Member services
- ✓ Care management
- ✓ Provider services

Accolade Total Care

- ✓ Benefits engagement
- ✓ Clinical guidance
- ✓ Provider matching

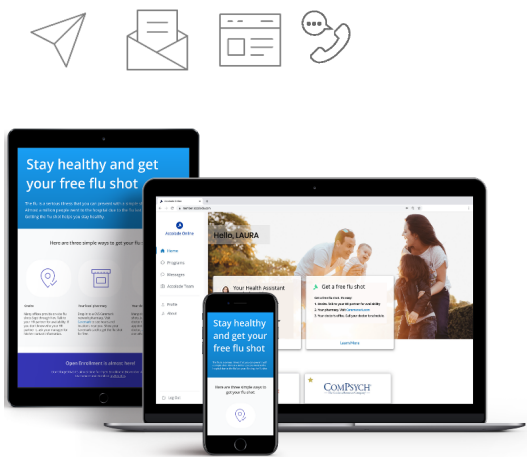
Accolade Total Benefits

- ✓ Benefits engagement
- ✓ Clinical guidance

Add-on Offerings

Extensions that empower benefits teams, enabling strategic investments and driving increased member engagement

Accolade Boost



Trusted Supplier Program





The Future

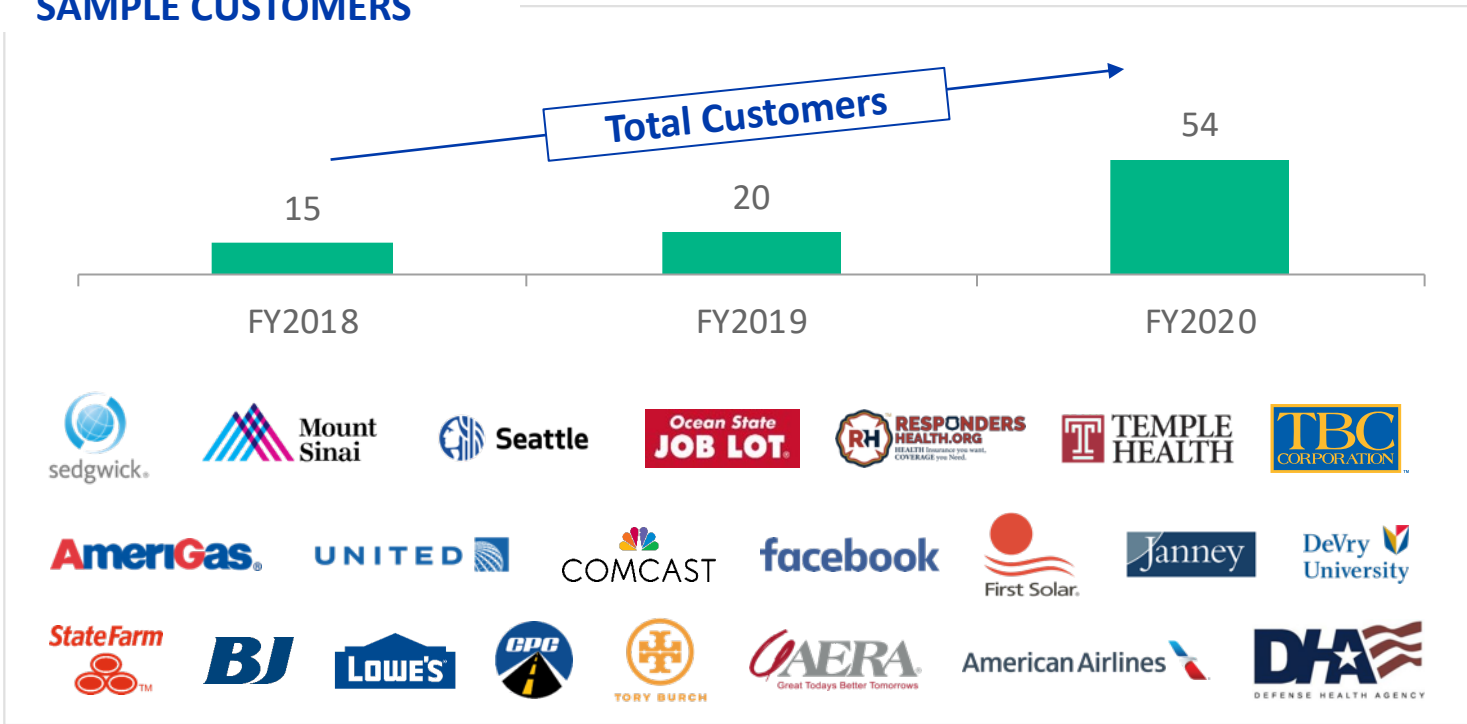
PERSONALIZED
HEALTH &
BENEFITS

Compelling Growth Strategy

Grow customer base	Further penetrate our market of 21,500 self- and fully insured employers
Retain and expand customer relationships	Grow relationships especially through the sale of add-on services such as Boost, TSP, and clinical programs
Continue to invest in tech	Leverage machine learning, predictive analytics, and multimodal communication to generate efficiencies and better outcomes, while introducing new, innovative offerings
Pursue partnerships	Establish partnerships that complement our solutions and extend capabilities and/or improve distribution
Grow into adjacent markets	Pursue new opportunities especially with government-sponsored healthcare plans, such as TRICARE, Medicare, Medicaid
Pursue strategic M&A	Capitalize on Accolade's position as a natural platform for consolidation given our strategic relationships with employers, member engagement model, open technology architecture, and scale

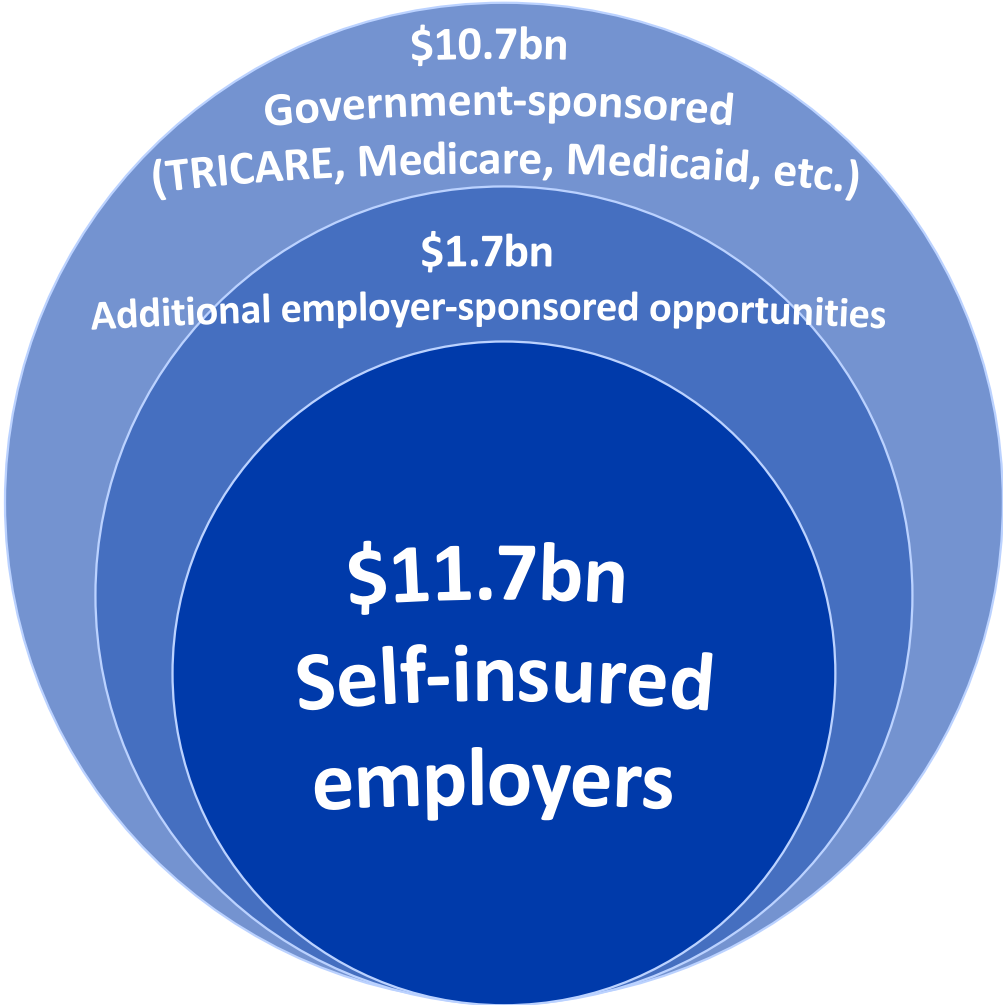
Large and Growing Addressable Market

SAMPLE CUSTOMERS

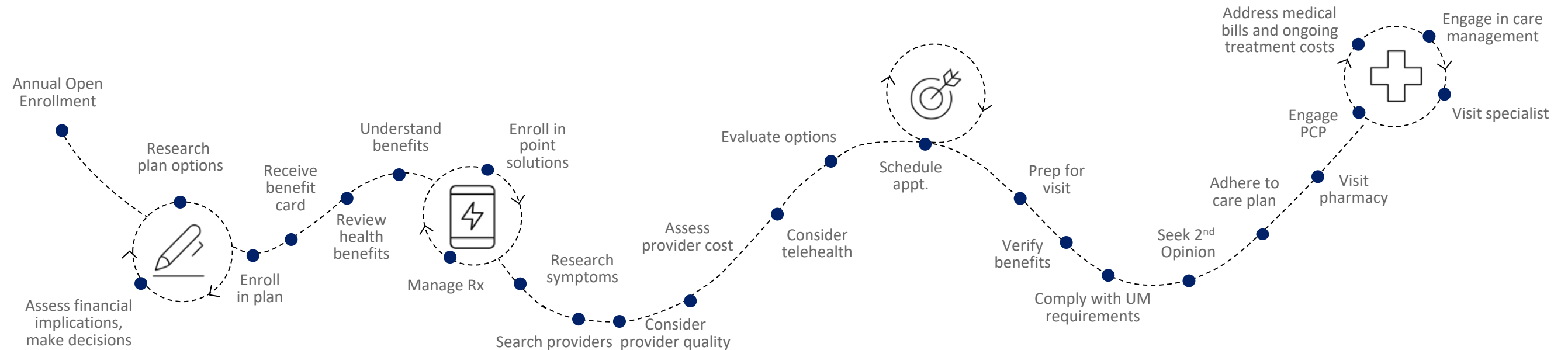


Employer Segment	Employee Count	# of Accounts
Strategic	35,000+	~300
Enterprise	5,000 - 35,000	~2,100
Mid-Market	500 - 5,000	~19,100

\$24bn TAM



Unrivaled Platform and Engagement Model to Serve Members in Their Healthcare Journey



Benefits Education and Support

- Plan Selection support
- Benefit Administration
- TPAs
- Activation and Engagement
- Wellness

Provider Selection and Engagement

- Provider Search
- Provider Quality
- Cost Transparency
- Social Determinants



Care Management and Support

- Virtual Care / Telemedicine
- Tele-therapy and Psychiatry
- Expert / 2nd Opinion
- Provider Engagement
- COE and Narrow Networks
- Treatment Decision Support



- Rx
- Digital Disease Management Solutions
- Care Coordination
- Home Health
- Maternity

New Offerings | Accolade COVID Response Care



Extensibility of Accolade platform allows for quick product development to meet customers' needs


Keep current with clinical evidence Avoid returning too soon or too late Reduce HR team burden Gain the flexibility to support future needs




New Offerings | Mental Health Integrated Care

Relationship-centered model positioned us to bring the first collaborative care solution for employers to market


 Accolade | 



Front-Line Care Team



On-Demand BH Coaches, Therapists, Psychiatrists




Integrated Data and Processes

Higher Engagement

Faster Quality Care

Better Outcomes



Shannon
Accolade Nurse

My therapist retired and I can't find a new one. I need help with my anxiety.

I can connect you to a ginger licensed therapist to assess your needs and get you on the right path.


That sounds great.

I'll be coordinating your care with Ginger at every step.

10:24 AM


Virtual session

Stephanie Louie, LCSW



Start video call

19



A Seasoned Management Team

Executive team brings deep experience, along with a commitment to the mission-based culture



Rajeev Singh
CEO



Steve Barnes
Chief Financial Officer



Rob Cavanaugh
President



Mike Hilton
Chief Product Officer



Shantanu Nundy
Chief Medical Officer



Carolyn Young
Chief Actuary



Harish Naidu
Chief Technology Officer



Britt Provost
EVP, People & Culture



Phong Nguyen
EVP, GM,
Solutions & Growth



Matt Eurey
EVP, GM,
Strategic & Enterprise



Todd Clardy
EVP, GM,
Mid-Market



Mike McGee
SVP, GM,
Government Solutions



Beverly Gibson
EVP, Enablement



David Wyatt
EVP, Service Operations



Rich Eskew
EVP, General Counsel



Sarah Martino
SVP, Product Management



Bill Morrison
SVP, Strategy & Corp Dev



Tina Gilbert
Sr. Dir., Inclusion &
Diversity





Financials

PERSONALIZED
HEALTH &
BENEFITS

Financial Highlights

ARR Bookings driving substantial revenue growth

40% revenue growth rate FY2019 to FY2020; Ended FY20 with \$161.4mm ACV



PMPM recurring revenue model provides significant revenue visibility

Multi-year contracts with base + performance-based PMPM fees; demonstrated renewals



Adjusted Gross Margin expansion provides path to profitability

Delivering Cost of Revenue improvements via tech-driven efficiencies

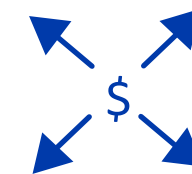
Higher margin product offerings and ecosystem partners leverage tech platform



Investments in Sales & Marketing and Product & Tech driving market expansion

Building out enterprise and mid-market salesforce to complement strategic segment

Secure, open technology platform supports innovation including new offerings and add-ons



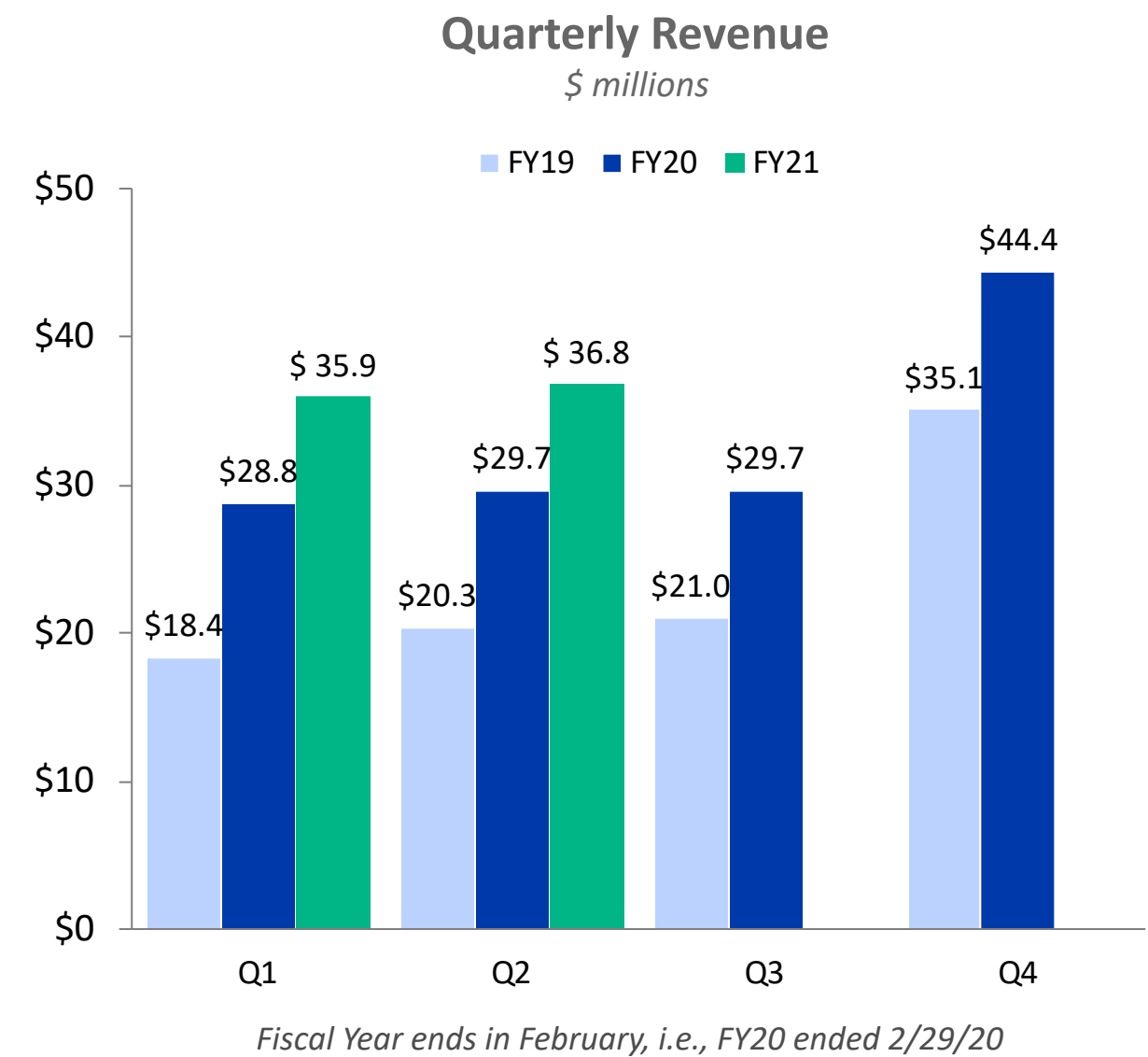
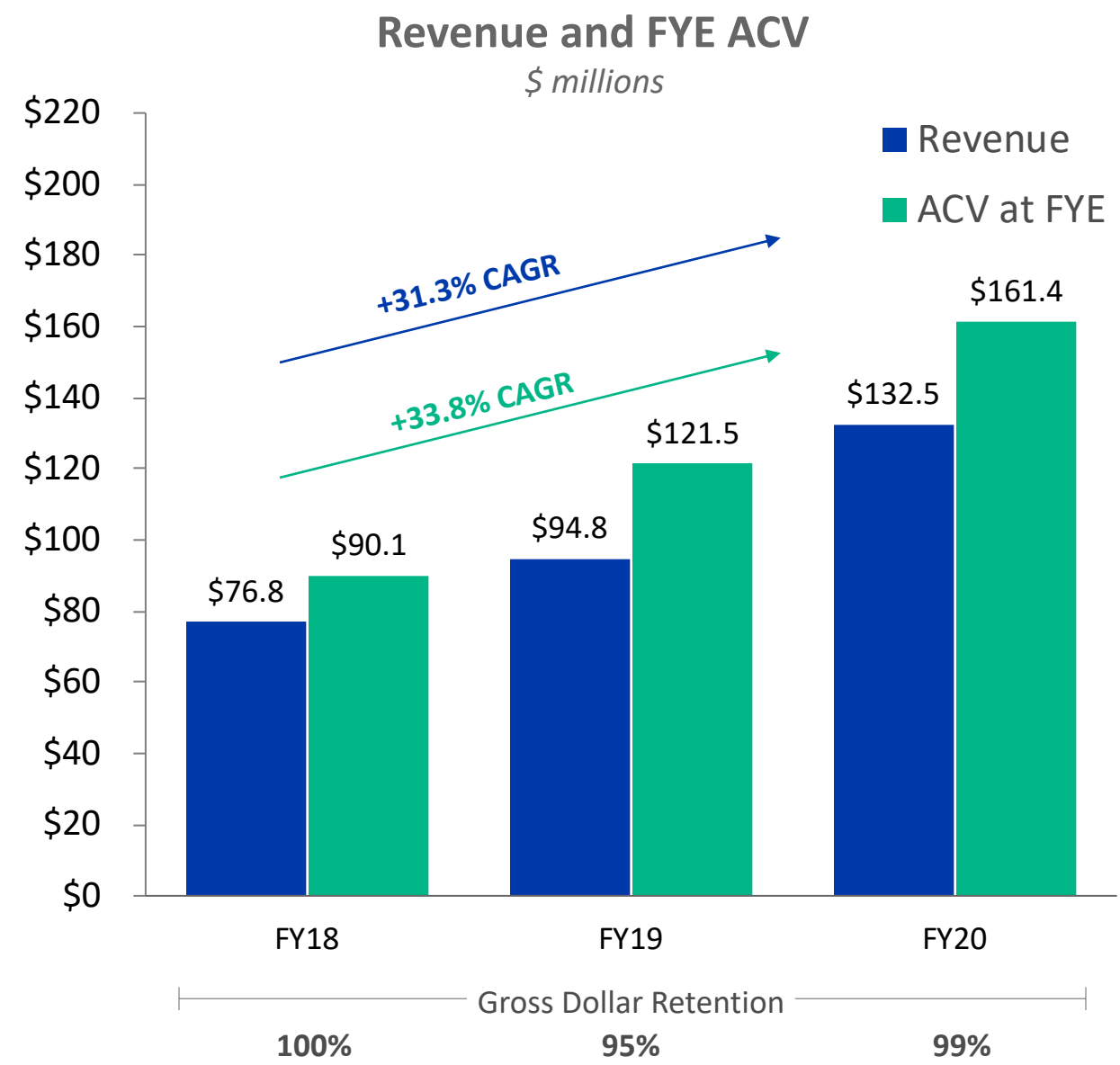
Growing Customer Diversification

Strong sales momentum and expansion of product suite supporting broader market capture

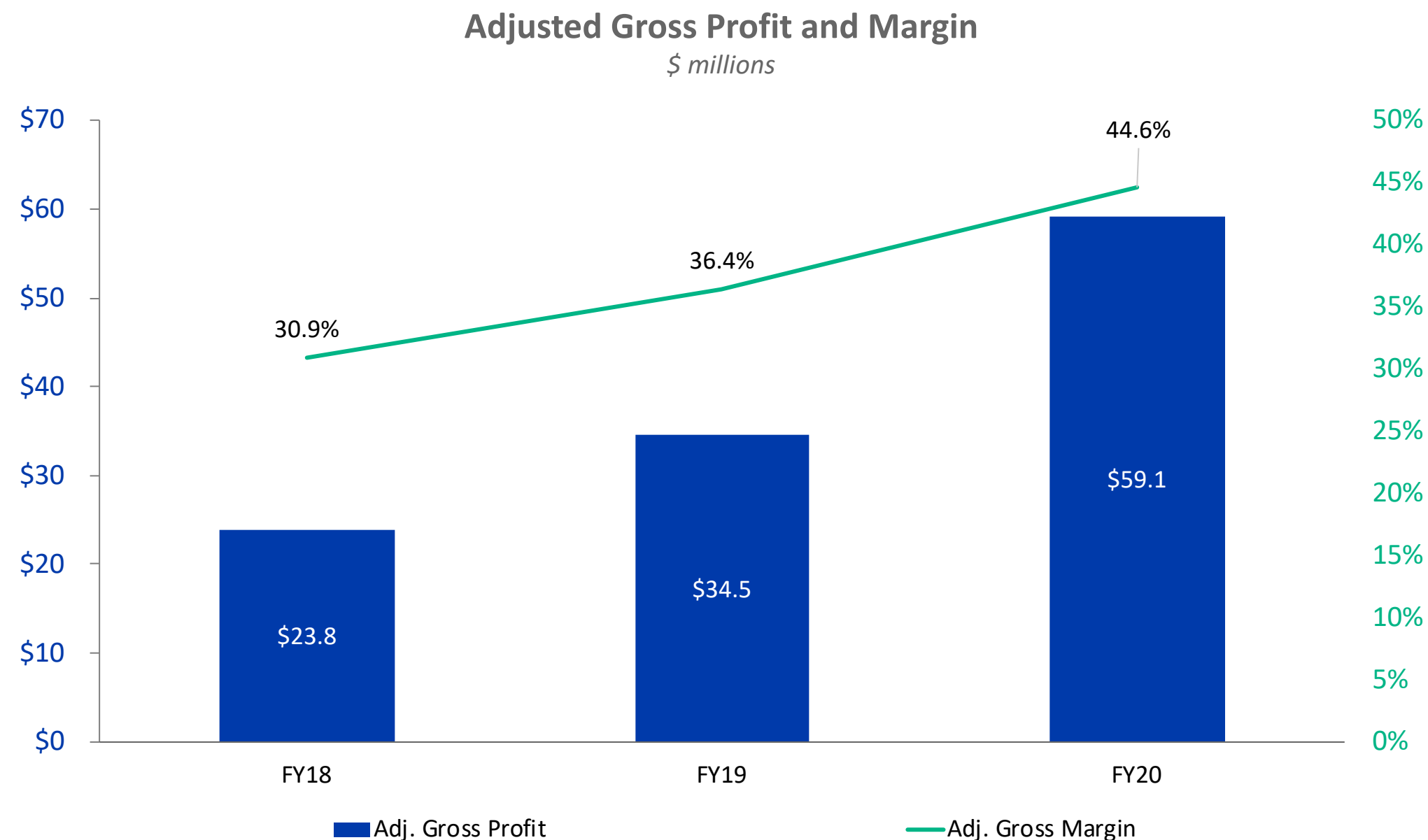


Strong Revenue Growth

Predictable, highly visible, and recurring revenue

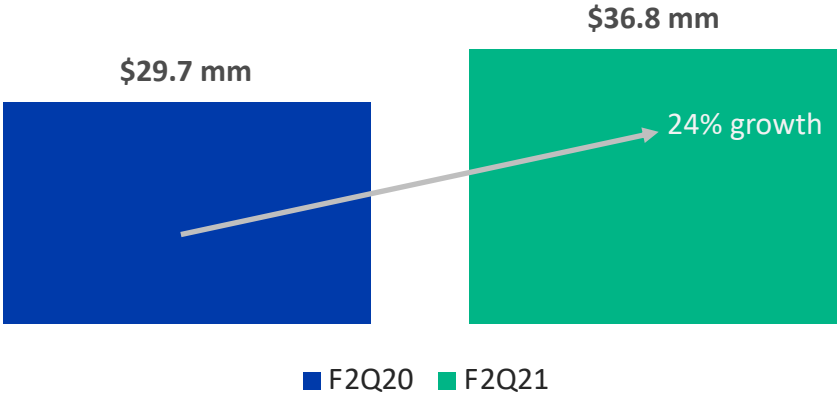


Demonstrated Improvement in Gross Profit and Margin



F2Q 2021 Results

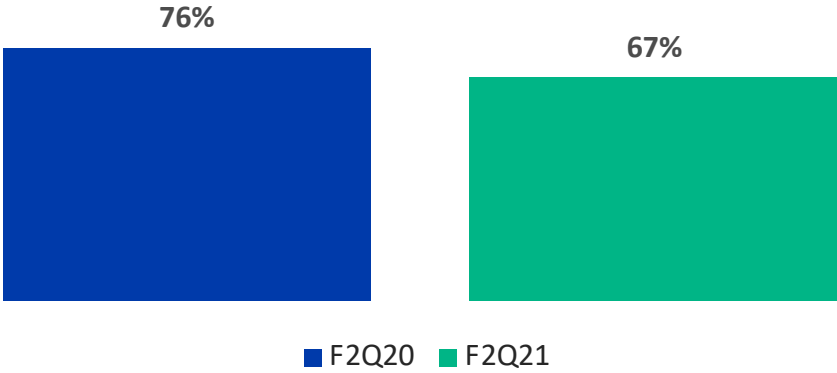
Revenue



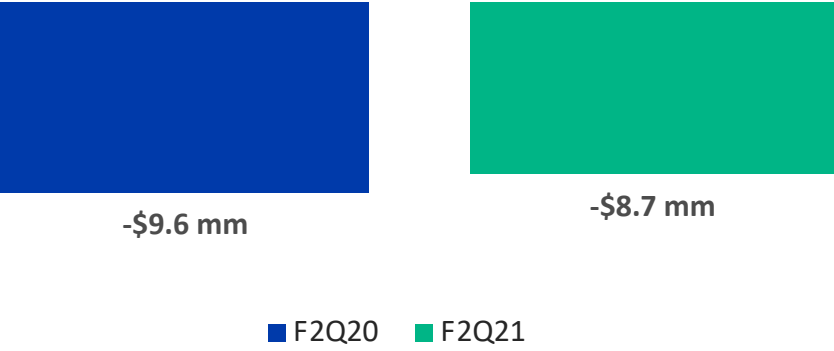
Adjusted Gross Margin



Adjusted Operating Expenses as a % of Revenue*



Adjusted EBITDA



*Adjusted Operating Expenses excludes depreciation and amortization, acquisition and integration-related costs, and stock-based compensation

Financial Guidance

	Fiscal Q3 2021	Fiscal Year 2021
Revenue	\$36.0 - \$37.0 million	\$159.0 - \$162.0 million
Adjusted EBITDA ⁽¹⁾ (non-GAAP Measure)	\$(12.0) – \$(14.0) million	\$(32.0) – \$(36.0) million

(1) We have not reconciled guidance for Adjusted EBITDA to net loss, the most directly comparable GAAP measure, and have not provided forward-looking guidance for net loss, because there are items that may impact net loss, including stock-based compensation, that are not within our control or cannot be reasonably predicted.

Business Highlights

Deep engagement across spend bands

- **50%+** member engagement rate
- **94%** member satisfaction; **60** NPS

Proven value proposition

- **4% avg. Y1 savings** for employers on HC spend;
- **10%+ per year** for more tenured customers
- **Per employee savings** of **\$527** and **\$782 per yr** (Aon)

Attractive business model, recurring revenues

- **40%** revenue growth rate FY19 to FY20
- **99%** gross dollar retention for FY20

Built-for-purpose technology

- **Significant investment** over past four years
- **200+** Product & Technology team

Differentiated clinical philosophy

- **Increase in valuable** utilization (e.g., Rx adherence)
- **Decrease in wasteful** utilization (e.g., readmissions)

Large and growing addressable market

- **60** customers*, of ~21,500 employers
- **>1.7mm** members*
- **>2.5x** yr/yr growth in customers FY20 vs. FY19

*As of July 1, 2020





Appendix

PERSONALIZED
HEALTH &
BENEFITS

Measurably Improving Health Outcomes

Customer Case Study: Relative improvement in desired utilization (engaged vs. non-engaged cohorts)

Measure Description	Comparative Utilization Lift Members who engaged with ACCD vs. those who did not
Coronary Artery Disease annual lipid profile	4%
Coronary Artery Disease anti-platelet medication	15%
Coronary Artery Disease on lipid-lowering medication	2%
Diabetes annual dilated eye exam	10%
Diabetes annual foot exam	6%
Diabetes annual lipid profile	4%
High Cholesterol; On lipid-lowering medication	4%
Age 50 to 75 years with colorectal cancer screening	10%
Women age 40 -74 with mammogram last 24 months	1%
Members aged 19-39 with preventive visit in last 24 months	14%
Members aged 40-64 years with preventive visit in last 24 months	1%

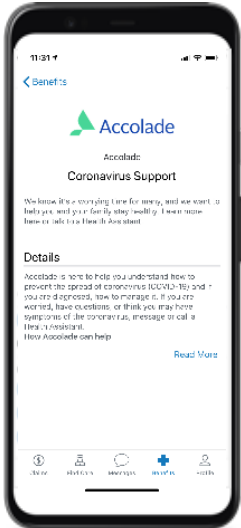
Source: Representative Accolade customer analysis (2017-2019), comparing a change in utilization from a pre-Accolade baseline for those who engaged with Accolade vs. those who did not

Proven Value Proposition | Case Studies

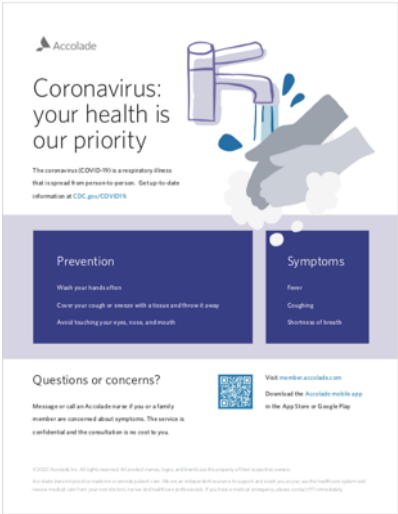
ACADEMIC HEALTH SYSTEM	MAJOR TRANSPORTATION COMPANY	GLOBAL TECHNOLOGY COMPANY
Driving smarter utilization to bend the cost curve	Increasing adoption of health-related benefits	Engaging a young population to be more educated consumers
<p>49% member engagement in Year 1</p> <p>96% member satisfaction</p> <p>4% increase in office visits</p> <p>3% fewer hospital admissions</p> <p>5% drop in avg length of hospital stays</p> <p>\$2mm+ in cost savings in Year 1</p> <p>Recent telemedicine purchase through Trusted Supplier Program</p>	<p>56% member engagement in Year 1</p> <p>93% member satisfaction</p> <p>+26% second opinion program use</p> <p>+21% telehealth use</p> <p>+20% specialty Rx savings program</p> <p>+7% wellness program use</p>	<p>60% member engagement in Year 1 (86% leveraged digital messaging)</p> <p>92% member satisfaction</p> <p>+50k referrals to partner programs</p> <p><i>"This is the easiest, most stress relieving service in my life currently. I'm shocked that people navigate the healthcare industry without it."</i></p> <p>Recent telemedicine purchase for incremental support during COVID</p>

COVID-19 | Rapid Application of Clinical Model

Right Member




App / Portal content



Boost campaigns

Right Decision

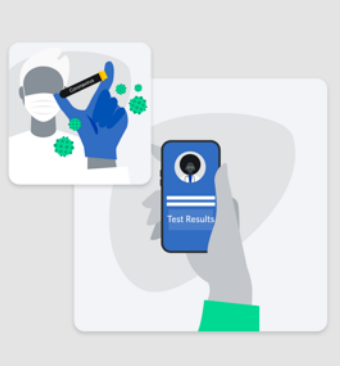


Nurse assessment, evidence-based guidelines




Telemedicine and BH partnerships

Right Path

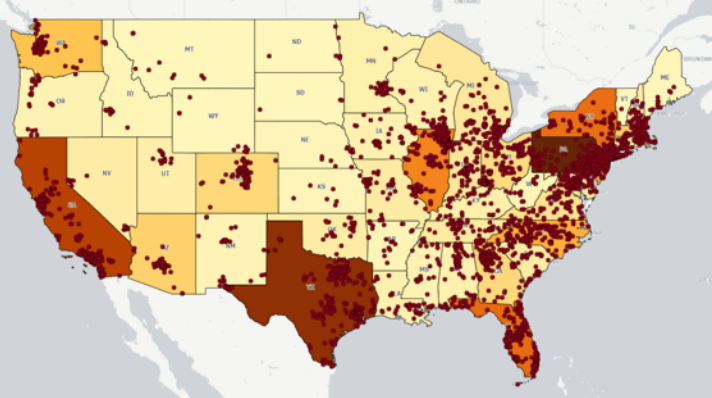


COVID-19 testing (multiple options)



Clarity and support re: plan-related requirements and workplace protocols

Impact



415,000+

Members reached with COVID-specific prevention info

>50,000

Members assisted with COVID-specific concerns to date

>4,600

Members clinically assessed for COVID-19 to date

- PCP/telemed consult: 26.2%
- No care needed: 43.3%
- Watchful home care: 27.4%
- Visit ER: 2.9%
- Call 911: 0.2%

Source: Accolade data through 9/30/2020

GAAP to Non-GAAP Reconciliation

	Fiscal Year Ended February 28 (29),		
(\$ in thousands)	2018	2019	2020
Revenue	\$ 76,828	\$ 94,811	\$132,507
Less:			
Cost of revenue, excluding depreciation and amortization	(53,435)	(60,568)	(73,685)
Add:			
Stock-based compensation, cost of revenue	376	255	318
Adjusted Gross Profit	\$23,769	\$34,498	\$59,140
Adjusted Gross Margin	30.9%	36.4%	44.6%

F2Q21 Reconciliations of Revenue to Adjusted Gross Profit & Net loss to Adjusted EBITDA

Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization, and excluding stock-based compensation and other expenses. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. We believe Adjusted Gross Profit and Adjusted Gross Margin are useful to investors, as they eliminate the impact of certain noncash expenses and allow a direct comparison of these measures between periods without the impact of noncash expenses and certain other nonrecurring operating expenses.

Adjusted EBITDA is a non-GAAP financial measure that we define as net loss adjusted to exclude interest expense (net), income tax expense (benefit), depreciation and amortization, stock-based compensation, and acquisition and integration-related costs. We believe Adjusted EBITDA provides investors with useful information on period-to-period performance as evaluated by management and comparison with our past financial performance. We believe Adjusted EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry, as this measure generally eliminates the effects of certain items that may vary from company to company for reasons unrelated to overall operating performance.

Adjusted Gross Profit, Adjusted Gross Margin and Adjusted EBITDA have certain limitations, including that they exclude the impact of certain non-cash charges, such as depreciation and amortization, whereas underlying assets may need to be replaced and result in cash capital expenditures, and stock-based compensation expense, which is a recurring charge. These non-GAAP financial measures may also not be comparable to similarly titled measures of other companies because they may not calculate such measures in the same manner, limiting their usefulness as comparative measures. In evaluating these non-GAAP financial measures, you should be aware that in the future we expect to incur expenses similar to the adjustments in this presentation. Our presentation of non-GAAP financial measures should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or nonrecurring items. When evaluating our performance, you should consider these non-GAAP financial measures alongside other financial performance measures, including the most directly comparable GAAP measures set forth in the reconciliation tables below and our other GAAP results.

The following tables present, for the periods indicated, reconciliation of our revenue to Adjusted Gross Profit and net loss to Adjusted EBITDA:

	Three months ended August 31,	
	2020	2019
	(in thousands)	
Revenue	\$ 36,788	\$ 29,651
Less:		
Cost of revenue, excluding depreciation and amortization	(21,071)	(16,764)
Gross Profit, excluding depreciation and amortization	15,717	12,887
Add:		
Stock-based compensation, cost of revenue	218	103
Adjusted Gross Profit	\$ 15,935	\$ 12,990
Gross margin, excluding depreciation and amortization	42.7%	43.5%
Adjusted Gross Margin	43.3%	43.8%

	Three months ended August 31,	
	2020	2019
	(in thousands)	
Net loss	\$ (15,371)	\$ (15,026)
Adjusted for:		
Interest expense, net	2,347	701
Income tax provision	18	14
Depreciation and amortization	2,049	2,222
Stock-based compensation	2,105	1,895
Acquisition and integration-related costs	-	552
Other expense	104	46
Adjusted EBITDA	\$ (8,748)	\$ (9,596)