Accolade (ACCD) Fiscal Third Quarter Earnings Presentation

January 10, 2022

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 Annual Report on Form 10-K for the fiscal year ended February 28, 2021, Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2021 and subsequent reports that we file.

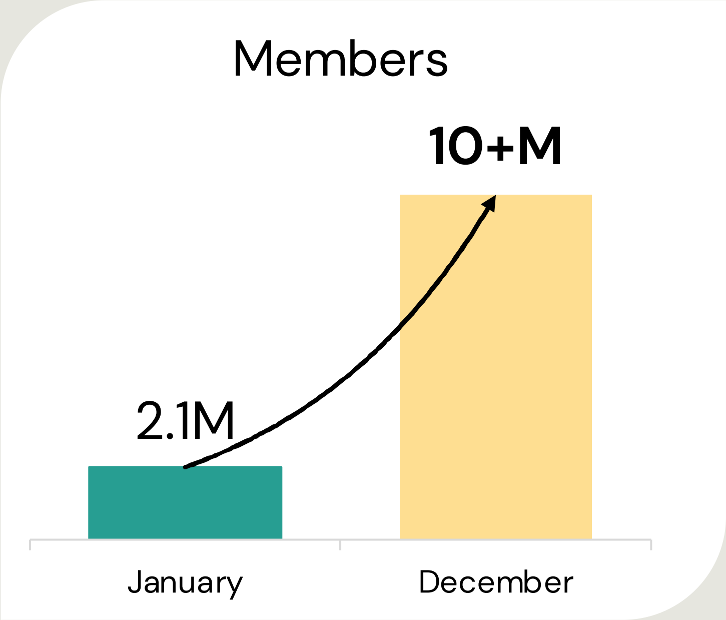
This presentation is designed to be viewed in conjunction with Accolade’s earnings release and conference call for the Company’s Third Quarter of Fiscal Year 2022. This presentation includes non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or 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.

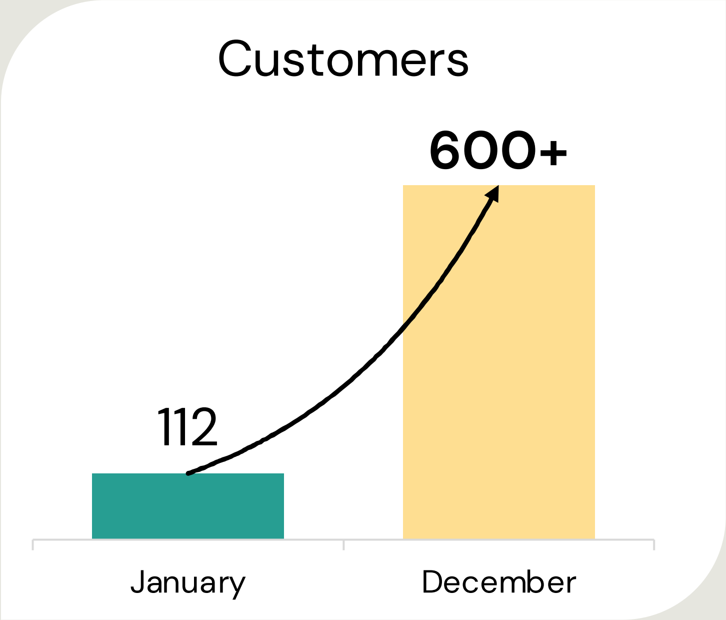
Accolade

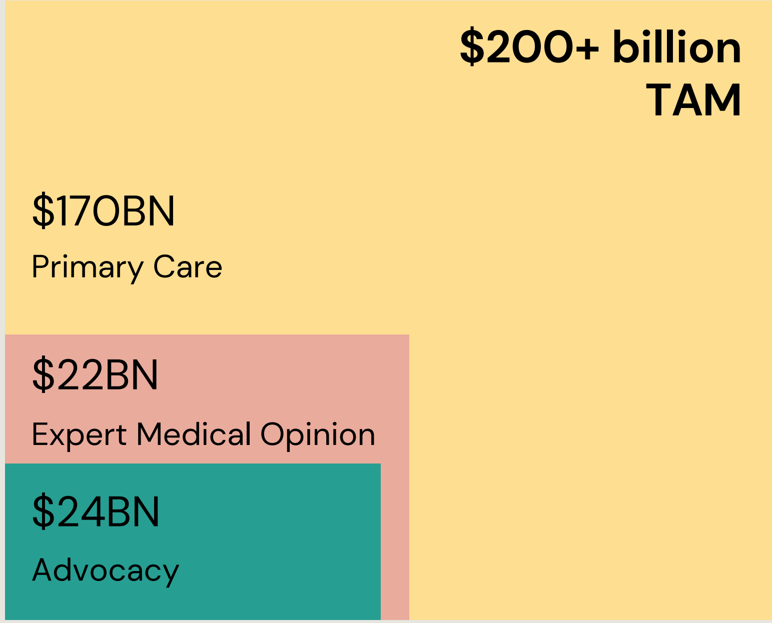
Rajeev Singh

Chief Executive Officer

2021: A year of transformation







A Powerful, Personalized Healthcare Platform

Personal | Data Driven | Value Based

Accolade Advocacy

Personalized, trusted guidance and education for all benefits and clinical needs

Accolade Expert MD

Real-time expert consultations for members facing high impact conditions

Accolade Care

Same-day access to virtual primary and mental healthcare to address needs holistically

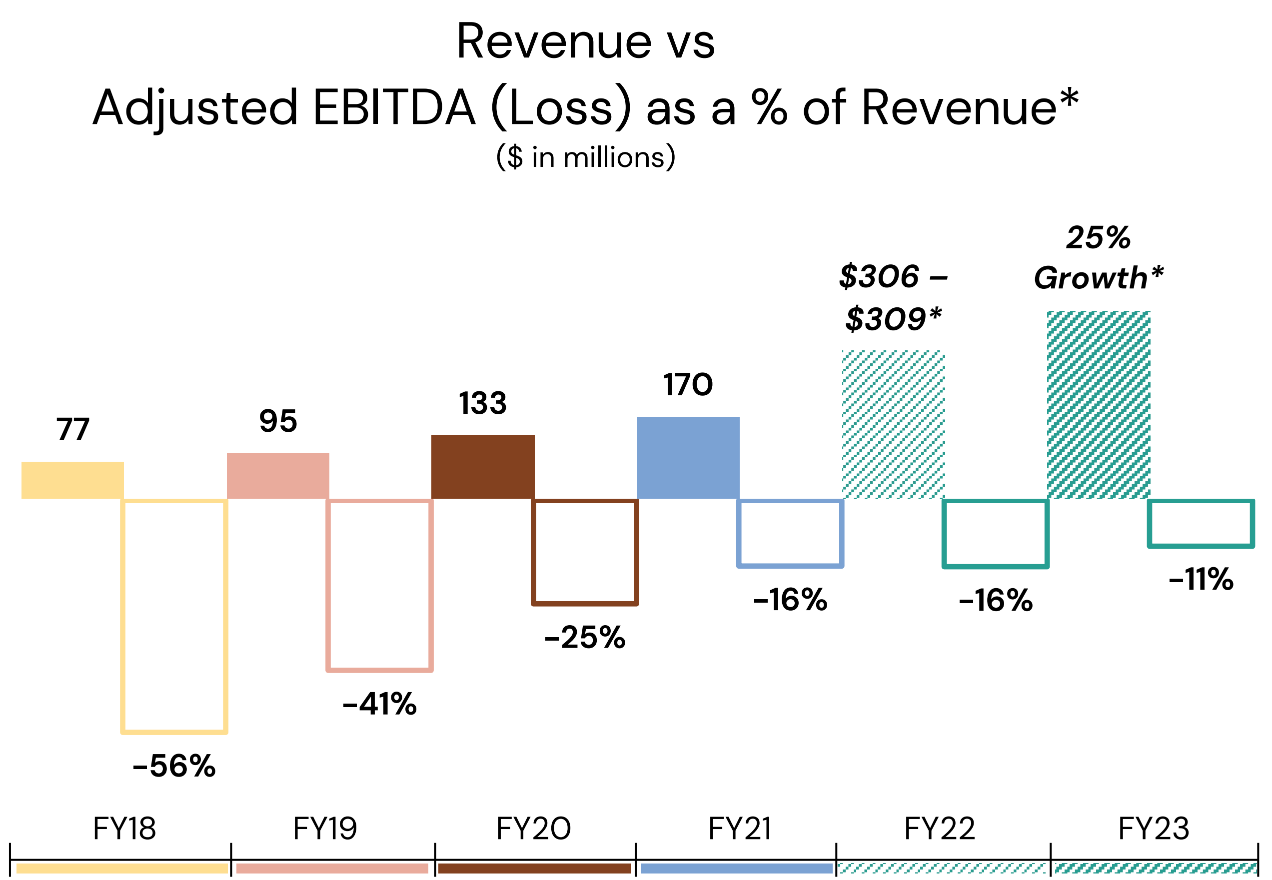
Accolade One

Value-based care that deeply integrates advocacy, virtual primary care, expert medical opinion and clinical programs

Fiscal Year '23

Preview

- Accolade One and Accolade Care first go-lives on 1/1
- Expansion in customers, members, partners, health plans
- 25% revenue growth and reduction in Adjusted EBITDA loss
- Target $600m in Revenue and Breakeven in FY25



*Adjusted EBITDA (Loss) excludes depreciation and amortization, acquisition and integration-related costs, stock-based compensation, and change in fair value of contingent consideration. See Appendix for disclosures and reconciliations related to preliminary guidance for fiscal years ending February 28, 2022 and 2023

We believe

- relationships matter
- healthcare is for everyone
- in value-based care
- in whole-person care

Steve Barnes

Chief Financial Officer

Fiscal Third Quarter 2022

Results versus Guidance and Prior Year

	Actuals	Guidance	Prior Year	YoY
Revenue (reported)	$83.5mm	$74.5mm - $76.5mm	$38.4mm	117%
Revenue (pro forma)*	$83.5mm		$57.9mm	44%
Adjusted EBITDA (Loss)**	$(11.9)mm	$(21.5)mm - $(24.5)mm	$(11.4)mm	(5)%

Highlights

- FQ3 revenue outperformance driven by customer member counts, strength in PlushCare consumer revenue, and earlier than expected achievement of performance-based revenue
- Recognized $7 million of performance-based revenue in FQ3 that was previously expected in FQ4, of which $2.5 million was included in FQ3 guidance. YoY growth adjusted for this timing was 32%.
- Adjusted EBITDA Loss ahead of guidance primarily due to earlier than expected PG revenue and lower than planned expenses

**. Pro forma operating results give effect to the acquisitions of 2nd.MD and PlushCare as if they had occurred on March 1, 2020.*
***Adjusted EBITDA (Loss) excludes depreciation and amortization, acquisition and integration-related costs, stock-based compensation, and change in fair value of contingent consideration.*
See Appendix for disclosures and reconciliations related to preliminary guidance for fiscal years ending February 28, 2022 and 2023

Fiscal Fourth Quarter and FY22 Guidance

	Q4 FY 22	YoY Change (midpoint)	FY 22	YoY Change (midpoint)
Revenue	$90mm - $93mm	54%	$306mm - $309mm	81%
Revenue (pro forma*)	$90mm - $93mm	13%		30%
Adjusted EBITDA (Loss)**	$(4)mm - $(8)mm	(319)%	$(48)mm - $(52)mm (16% - 17%)	(86)%

Notes

- Approximately $8mm of performance-based revenue has been recognized sooner than expected FYTD (previously expected in FQ4). YoY FQ4 growth including impact of revenue timing is 24% on pro forma basis at mid-point of guidance
- FQ4 Adjusted EBITDA Loss impacted by timing of PG revenue recognition

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FY 2023

Preliminary Guidance & Metrics

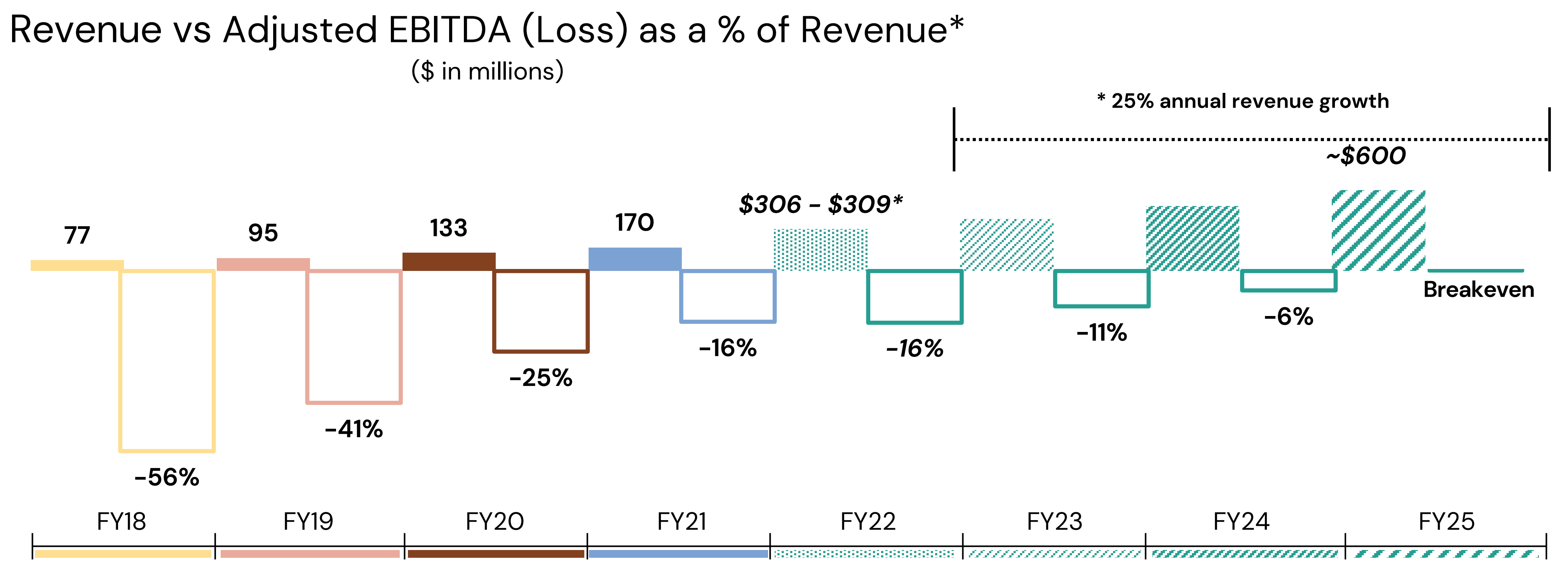
25%

Revenue Growth

25%	30%	20%
Advocacy	**Virtual Primary Care**	**Expert Medical Opinion**

- ACV at end of FY21 was $248m on a pro forma basis to include 2nd.MD (excluding case rate revenue)
- Tracking to add $50mm – $60mm of new annual recurring revenue for FY22
- Modifying ACV definition to reflect changes in Accolade business with acquisitions
  - ACV at end of FY22 will include: all PEPM bookings, a projection of estimated EMO case rate and enterprise primary care visit fee revenue, and normal customer adjustments (changes in customer headcounts, terminations, etc.)

Revenue and Customer Growth + Unit Economics Drive Path to Profitability



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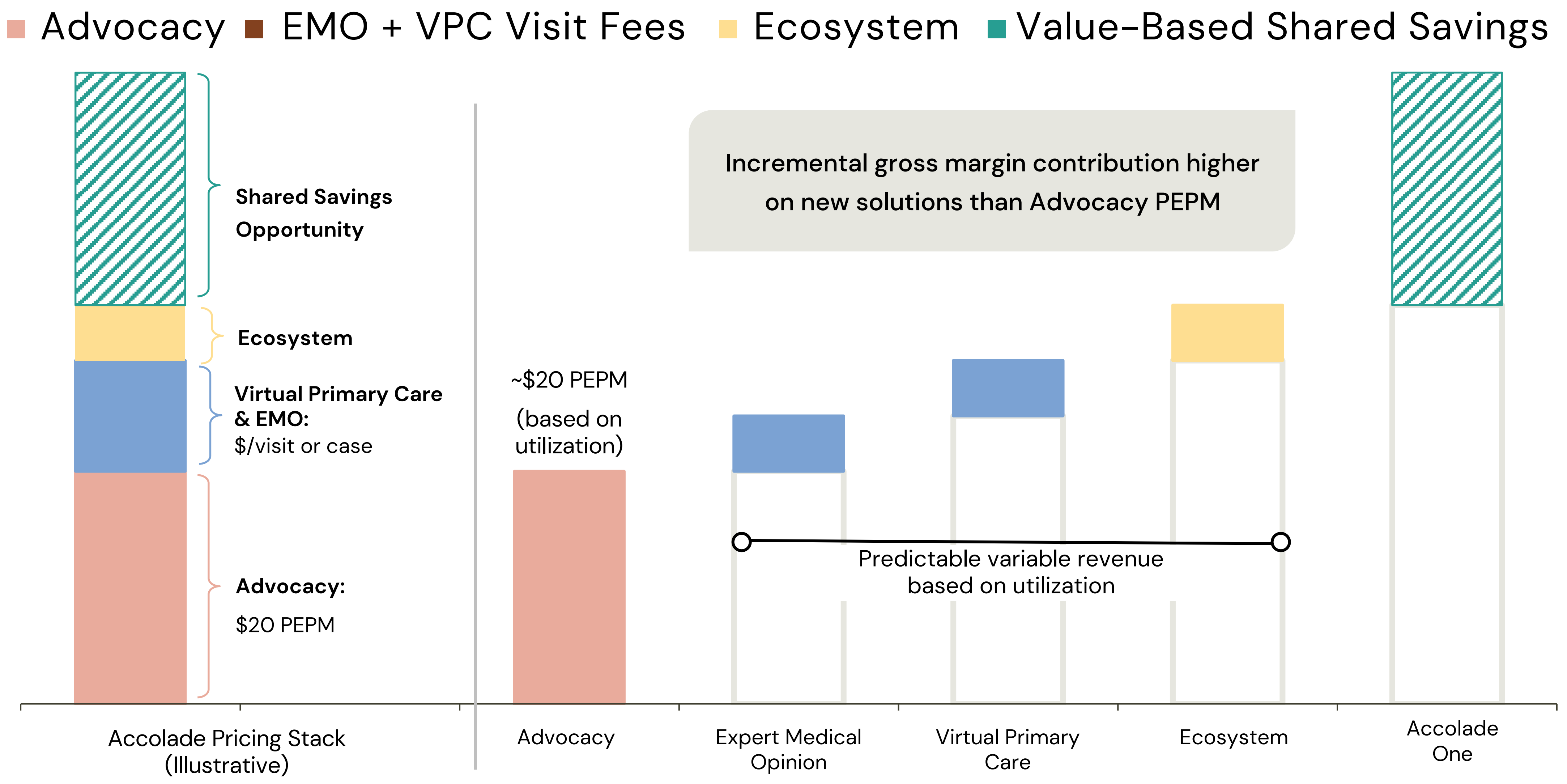
See Appendix for disclosures and reconciliations related to preliminary results for periods ending February 28, 2021

New Capabilities Improve Unit Economics



Note: Chart is for illustrative purposes only. Actual pricing varies by factors such as solutions selected, customer size and percentage of fees subject to performance guarantees.

Financial Targets and Goals (Non-GAAP)

		Long-Term Goals	Commentary
Adj. Gross Margin		50-55%	Investments in technology and offering mix projected to drive GM% up
Adj. Operating Expenses	P&T as % of Rev.	13-17%	Projecting to continue to increase absolute dollar investments in Product & Tech at a decreasing rate
	S&M as % of Rev.	15-20%	As sales efficiency metrics continue to indicate investments yield attractive returns and revenue growth, expect to invest at 15-20% of revenues. As growth moderates, reduction in S&M is a lever to drive profitability
	G&A as % of Rev.	7-9%	Projecting to increase absolute dollar spend in G&A with growth, with % of revenues declining below 10% at scale
Adj. EBITDA Margin		15-20%	Expecting to drive 15-20% Adj. EBITDA margin at scale

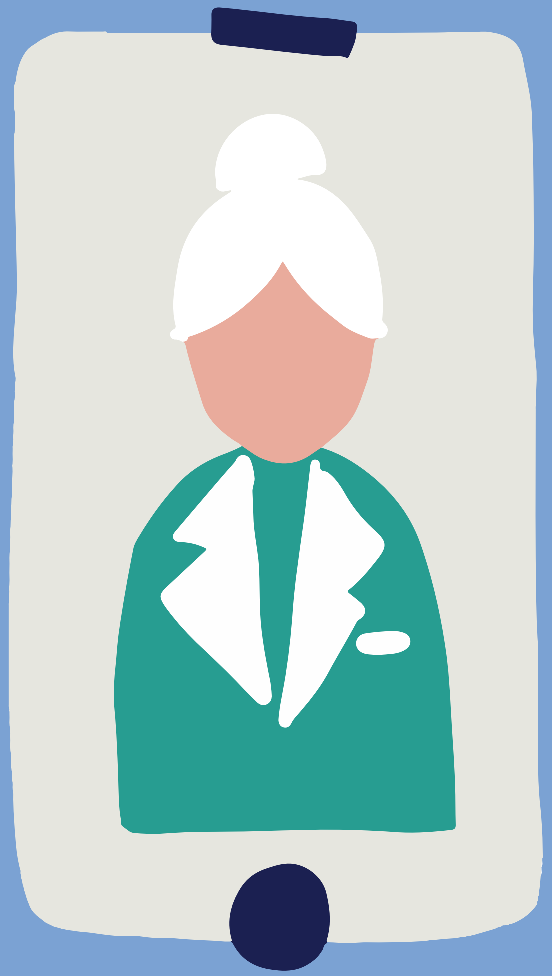
Q&A

Rajeev Singh – Chief Executive Officer

Steve Barnes – Chief Financial Officer

Shantanu Nundy, MD – Chief Medical Officer

Appendix



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

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.

Adjusted EBITDA GAAP to Non-GAAP Reconciliation

($ in thousands)

Fiscal year ended February 28 (29),	2018	2019	2020	2021
Net Income (Loss)	$ (61,286)	$ (56,496)	$ (51,365)	$ (50,652)
Adjusted for:				
Interest expense, net	1,799	2,374	2,925	3,724)
Income tax (benefit)	--	55	129	4
Depreciation and amortization	7,982	9,391	8,516	8,212
Stock-based compensation	8,406	5,721	6,002	9,576
Acquisition and integration-related costs	--	--	567	2,050
Other expense (income)	26	90	107	147
Adjusted EBITDA (Loss)	**$ (43,073)**	**$ (38,865)**	**$ (33,119)**	**$ (26,939)**

Accolade

PERSONALIZED HEALTHCARE