



Intelligence for the Limitless Enterprise

iLearningEngines Business Combination with Arrowroot

Investor Presentation | Fall 2023

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- These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by an investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions this Presentation relies on. Many actual events and circumstances are beyond the control of iLearningEngines and Arrowroot. These forward-looking statements are subject to a number of risks and uncertainties, including (i) changes in domestic and foreign business, market, financial, political, and legal conditions; (ii) the inability of the parties to successfully or timely consummate the Proposed Business Combination, including the risk that any regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the Proposed Business Combination or that the approval of the stockholders of Arrowroot or iLearningEngines is not obtained; (iii) failure to realize the anticipated benefits of the Proposed Business Combination; (iv) risks relating to the uncertainty of the projected financial information with respect to iLearningEngines; (v) risks related to the rollout of iLearningEngines’ business and the timing of expected business milestones; (vi) the amount of redemption requests made by Arrowroot stockholders; (vii) the ability of Arrowroot or iLearningEngines to issue equity or equity-linked securities or obtain debt financing in connection with the Proposed Business Combination or in the future; (viii) the ability to maintain the listing of the combined company’s securities on NASDAQ or another national securities exchange; (ix) the risk that the Proposed Business Combination disrupts current plans and operations of iLearningEngines or Arrowroot as a result of the announcement and consummation of the Proposed Business Combination; (x) the risk that any of the conditions to closing are not satisfied in the anticipated manner or on the anticipated timeline; (xi) the effects of competition on iLearningEngines future business and the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (xii) risks related to political and macroeconomic uncertainty; (xiii) the outcome of any legal proceedings that may be instituted against iLearningEngines, Arrowroot or any of their respective directors or officers, following the announcement of the Proposed Business Combination; (xiv) the impact of the global COVID-19 pandemic on any of the foregoing risks; (xv) any changes to the accounting matters of Arrowroot as a result of guidance from the Securities and Exchange Commission (“SEC”); (xvi) the risk factors included in this Presentation; and (xvii) those factors discussed in the Registration Statement under the heading “Risk Factors,” and other documents Arrowroot has filed, or will file, with the SEC. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements.
- There may be additional risks that neither Arrowroot nor iLearningEngines presently know, or that Arrowroot nor iLearningEngines currently believe are immaterial, that could also cause actual results to differ from those contained in the forward-looking statements. In addition, forward-looking statements reflect Arrowroot’s and iLearningEngines’ expectations, plans, or forecasts of future events and views as of the date of this Presentation. Arrowroot and iLearningEngines anticipate that subsequent events and developments will cause Arrowroot’s and iLearningEngines’ assessments to change. However, while Arrowroot and iLearningEngines may elect to update these forward-looking statements at some point in the future, Arrowroot and iLearningEngines specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing Arrowroot’s and iLearningEngines’ assessments as of any date subsequent to the date of this Presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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- This Presentation contains projected financial information with respect to iLearningEngines. Such projected financial information constitutes forward-looking information, and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties. See “Forward-Looking Statements” above.
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- The risk factors summarized presented in this Presentation are certain of the risks related to the business of iLearningEngines, Arrowroot and the Proposed Business Combination, and such list is not exhaustive. The list in this Presentation is qualified in its entirety by disclosures contained in documents filed or furnished by iLearningEngines and Arrowroot with the SEC with respect to the Proposed Business Combination (whether prior to or subsequent to the date hereof).
- There are many risks that could affect the business and results of operations of iLearningEngines, many of which are beyond its control. If any of these risks or uncertainties occurs, iLearningEngines business, financial condition and/or operating results could be materially and adversely harmed. Additional risks and uncertainties not currently known or those currently viewed to be immaterial may also materially and adversely affect the iLearningEngines business, financial condition and/or operating results.

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- The financial information and data contained in this Presentation does not conform to Regulation S-X promulgated under the Securities Act or the standards of the Public Company Accounting Oversight Board. Accordingly, such information and data may not be included in, may be adjusted in, or may be presented differently in, any proxy statement/prospectus or registration statement or other report or document to be filed or furnished by Arrowroot with the SEC. Some of the financial information and data contained in this Presentation, such as Adjusted EBITDA and Adjusted EBITDA Margin, has not been prepared in accordance with United States generally accepted accounting principles (“GAAP”). Arrowroot and iLearningEngines believe these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to iLearningEngines’ financial condition and results of operations. iLearningEngines’ management uses these non-GAAP measures for trend analysis and for budgeting and planning purposes.
- Arrowroot and iLearningEngines believe that the use of these non-GAAP financial measures provide an additional tool for investors to use in evaluating projected operating results and trends in iLearningEngines’ business. Other similar companies may present different non-GAAP measures or calculate similar non-GAAP measures differently. Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses that are required to be presented in iLearningEngines’ GAAP financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses are excluded in determining these non-GAAP financial measures. You should review iLearningEngines’ audited financial statements prepared in accordance with GAAP, which is included in a combined registration statement and proxy statement on Form S-4 initially filed with the SEC by Arrowroot on September 5, 2023 (File No. 333-274333) (the “*Registration Statement*”).

Additional Information About the Proposed Business Combination and Where To Find It

- A full description of the terms of the Proposed Business Combination is provided in the Registration Statement that includes a preliminary prospectus with respect to the combined company’s securities to be issued in connection with the Proposed Business Combination and a preliminary proxy statement with respect to the shareholder meeting of Arrowroot to vote on the Proposed Business Combination. Arrowroot urges its investors, stockholders and other interested persons to read the Registration Statement, including the preliminary proxy statement/prospectus, amendments thereto as well as other documents filed with the SEC because these documents will contain important information about Arrowroot, iLearningEngines and the Proposed Business Combination. After the Registration Statement is declared effective, the definitive proxy statement/prospectus to be included in the Registration Statement will be mailed to stockholders of Arrowroot as of a record date to be established for voting on the Proposed Business Combination. Once available, stockholders will also be able to obtain a copy of the Registration Statement, including the proxy statement/prospectus, and other documents filed with the SEC without charge, by directing a request to: Arrowroot Acquisition Corp., 4553 Glencoe Ave, Suite 200, Marina Del Rey, California 90292. The preliminary and definitive proxy statement/prospectus to be included in the Registration Statement, once available, can also be obtained, without charge, at the SEC’s website (<http://www.sec.gov>).

Changes and Additional Information in Connection with SEC Filing

- The information in this Presentation has not been reviewed by the SEC and certain information may not comply in certain respects with SEC rules. Arrowroot may file certain documents with the SEC regarding the Proposed Business Combination. When available, the definitive proxy statement /prospectus will be mailed to Arrowroot stockholders as of a record date to be established for voting on the Proposed Business Combination and the other matters to be voted upon at a meeting of Arrowroot’s stockholders to be held to approve the Proposed Business Combination and any other matters (the “*Special Meeting*”).

Participants in Solicitation

- Arrowroot and iLearningEngines, and their respective directors and executive officers, and other members of their management and employees, under SEC rules, may be deemed participants in the solicitation of proxies of Arrowroot’s stockholders in respect of the Proposed Business Combination. Information about the directors and executive officers of Arrowroot is set forth in the Arrowroot’s filings with the SEC. Information about the directors and executive officers of iLearningEngines and more detailed information regarding the identity of all potential participants, and their direct and indirect interests by security holdings or otherwise, will be set forth in the definitive proxy statement/prospectus for the Proposed Business Combination. Additional information regarding the identity of all potential participants in the solicitation of proxies to Arrowroot’s stockholders in connection with the Proposed Business Combination and other matters to be voted upon at the special meeting, and their direct and indirect interests, by security holdings or otherwise, will be included in the definitive proxy statement/prospectus, when it becomes available. Such interests may, in some cases, be different from those of iLearningEngines’ or Arrowroot’s stockholders generally.

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The information contained herein is as of November 6, 2023 and does not reflect any subsequent events.

TODAY'S PRESENTERS

ARRW



MATTHEW SAFAI
Chairman & CEO



THOMAS OLIVIER
President & CFO



HARISH CHIDAMBARAN
Chairman & CEO



RAM PARAMESWARAN
SVP – Product & Technology



BALA KRISHNAN
President & CBO



VIVEK CHARY
VP – Business Operations
& Consulting



FARHAN NAQVI
CFO



DAVID SAMUELS
Chief Legal Officer &
EVP – Corporate Affairs



MATTHEW SAFAI
Chairman & CEO

- *Founder and Managing Partner of Arrowroot Capital Management*
- *Previous experience at TA Associates and Platinum Equity*



THOMAS OLIVIER
President & CFO

- *President & CFO of Arrowroot Acquisition Corp.*
- *Previous experience at Houlihan Lokey, Pacific Crest Securities, Brain Scientific, Mad Mobile and Morgan Stanley*



DIXON DOLL
Board Member

- *Co-founder of Doll Capital Management*
- *Previous Board and Advisor experience at Ten Eleven Ventures, Network Equipment Technologies, DirecTV and DCM Ventures*



PETER KUPER
Board Member

- *Managing Director at JF Lehman & Co. and Managing Partner at HypAdvisor Consulting*
- *Previously a Partner at In-Q-Tel and a Director at Cowen & Co.*



WILL SEMPLE
Board Member

- *Chairperson of the Board at eBay SARM*
- *Leadership positions at PwC EMEA (Lead of Software Security & Assurance), Alert Logic, Euronext, NYSE, Cisco, and Hewlett-Packard*

Arrowroot Capital at a Glance



- Arrowroot Capital Management (“Arrowroot Capital”) is a private equity firm focused on growing and mature recurring revenue software businesses
- Arrowroot Capital Management seeks to partner with management teams to accelerate growth and help guide companies to its ultimate exit through equity investments
- Arrowroot Acquisition Corp. (“Arrowroot” or “the SPAC”) is a special purpose acquisition company that commenced trading on Nasdaq on March 4, 2021
- Arrowroot is focused on opportunities in the enterprise software sector and announced its planned business combination with iLearningEngines on April 27, 2023

Select Arrowroot Capital Portfolio Investments

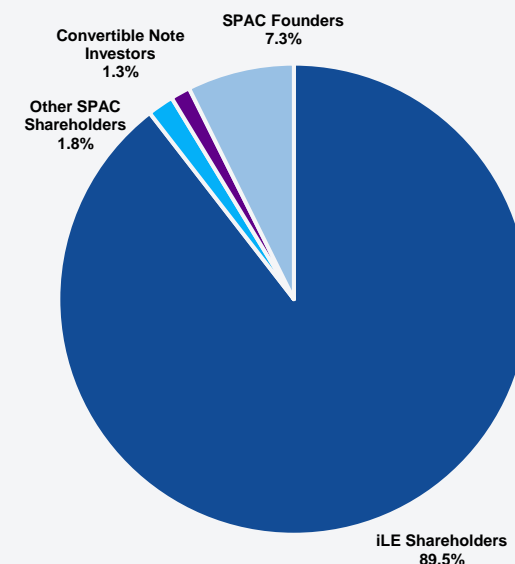


TRANSACTION OVERVIEW

Illustrative Pro-Forma Valuation at Close

(\$ in millions, except per share data and shares)	
Total Shares Outstanding at Close (M)⁽¹⁾	138.5
Stock Price At Issue (\$)	\$10.00
Implied Post-Money Equity Value (\$M)	\$1,385
Plus: PF Debt, Including Additional Financing ⁽²⁾	187
Less: PF Cash on Balance Sheet (\$M) ⁽³⁾⁽⁴⁾	(131)
Implied Pro Forma Total Enterprise Value	\$1,441
Implied TEV / CY2023E Revenue Multiple (x)	3.4x

Pro-Forma Ownership at Close⁽¹⁾



Sources & Uses of Capital

Sources	(\$M)	(%)	Uses	(\$M)	(%)
Existing iLearningEngines Shareholder Equity Rollover	\$1,241	89%	Existing iLearningEngines Shareholder Equity Rollover	\$1,241	89%
Available SPAC Proceeds ⁽³⁾	45	3%	Net Cash on Balance Sheet ⁽⁴⁾	131	9%
Estimated iLearningEngines Cash on Balance Sheet ⁽⁴⁾	6	0%	Estimated Transaction Expenses	30	2%
Additional Financing	110	8%			
Total Sources	\$1,402	100%	Total Uses	\$1,402	100%

Note: Assumes transaction closing as of December 31, 2023. (1) Pro forma share count includes 123.9 million seller rollover shares, 10.2 million ARRW Sponsor shares, 2.5 million ARRW Public SPAC shares, and 1.9 million convertible note investor shares. (2) Pro forma debt includes additional financing of \$110 million plus estimated total debt of \$77 million as of December 2023. (3) Assumes trust balance of \$45 million at the estimated closing of the business combination in December 2023. (4) \$131 million pro forma balance sheet cash calculated as \$155 million gross cash proceeds (\$45 million cash retained in trust plus \$110 million additional financing) plus estimated iLE cash on balance sheet of \$6 million (reflective of convertible note issuance) as of December 2023, net of \$30 million in estimated transaction expenses.

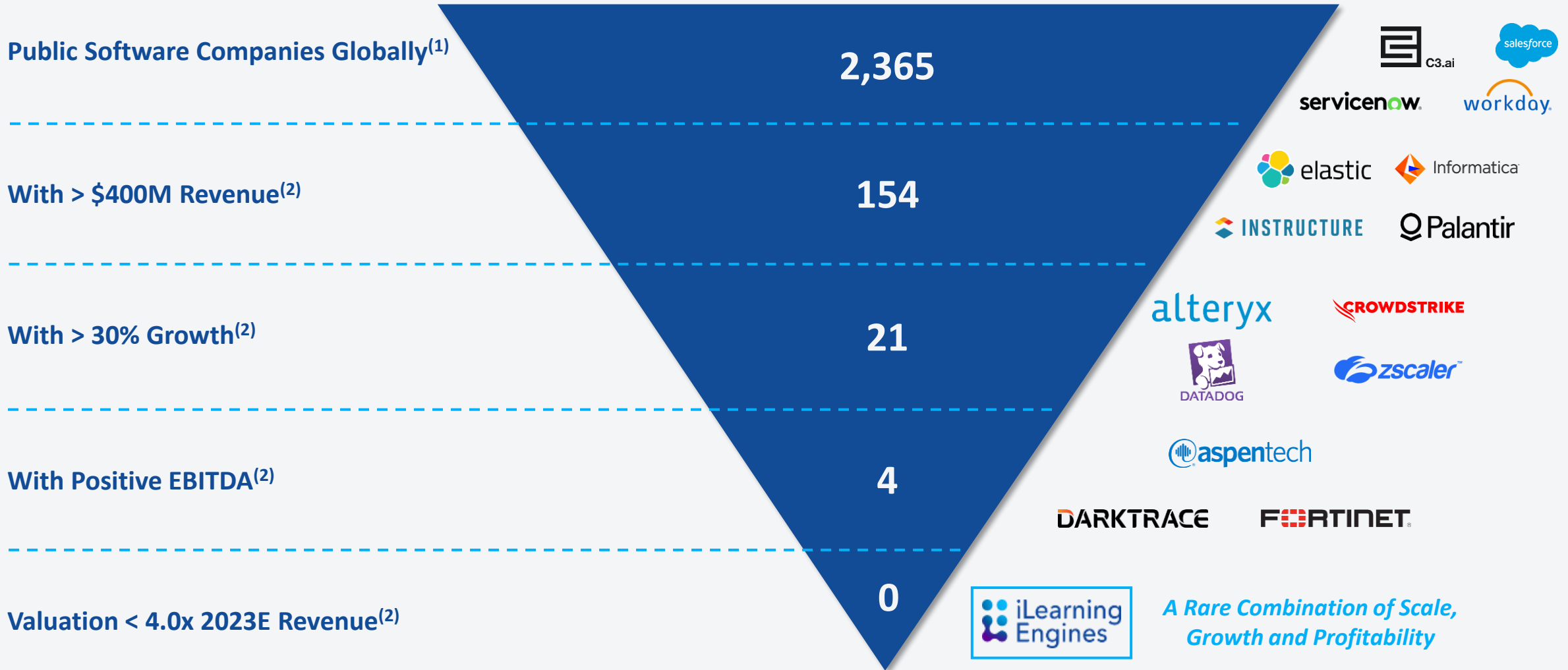
WHY WE ARE EXCITED TO PARTNER WITH ILEARNINGENGINES



We believe a partnership with Arrowroot enables iLearningEngines to capitalize on the fast-growing demand for AI solutions today while strongly positioning the business for the future

(1) Enterprise denotes customers with 250+ licensed users. We define licensed users as an individual seat with access to the platform. See slide 33 for end customer detail.

ILEARNINGENGINES STANDS OUT IN THE MARKET



Source: S&P Capital IQ as of November 2, 2023. (1) Screen excludes companies based in China and companies in the process of being acquired. (2) Based on the latest last twelve-month ("LTM") metrics.

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I. Company Overview



A LETTER FROM OUR CHAIRMAN AND CEO



Fourteen years ago, my mother was diagnosed with Stage 4 breast cancer. My world was turned upside down.

During many long flights to be at her side during treatment, I truly struggled with her diagnosis. Why was this terrible disease discovered so late? Were there any warning signs we missed? I quickly realized that healthcare is focused on reacting to sickness, not on actively managing any of the specific health risks of individual patients.

In my heart, I knew there must be a way to sift through mountains of data to distinguish the “Signal” from the “Noise.” If we can only find the Signal, we can vastly improve everything from healthcare to education and beyond, for our communities and our society generally.

The data is there. It is continually being generated, but its power is lost as quickly as it is created.

I founded iLearningEngines on the belief that vital content must be delivered in real time and in context for our society to leap forward. I spent nearly five years at Sun Microsystems leveraging AI principles to vastly improve computing power, which underpinned my conclusion that AI is the key to achieving my vision.

ChidambaranPK

Harish Chidambaran
Chairman and CEO

iLearningEngines is an *out-of-the-box AI platform* that empowers customers to “*productize*” their institutional knowledge, and generate and *infuse insights in the flow-of-work* to drive mission critical business outcomes

DRIVING MISSION CRITICAL BUSINESS AND LEARNING OUTCOMES AT SCALE



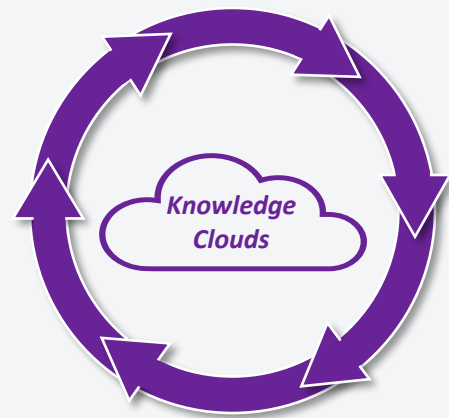
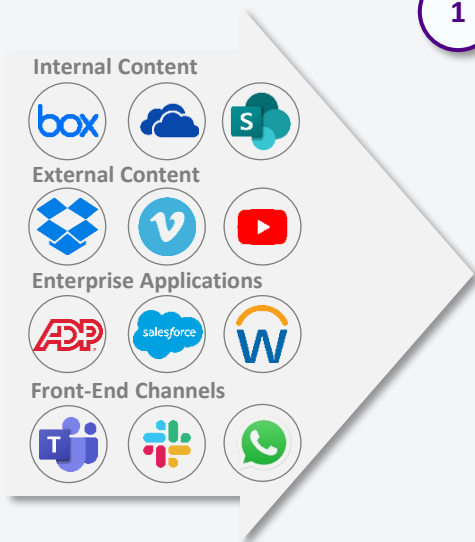
ILEARNINGENGINES – THE TECHNOLOGY

Operationalizes AI to drive mission critical outcomes

1 “Productize” Institutional Knowledge

2 Generate Insights, Events & Recommendations

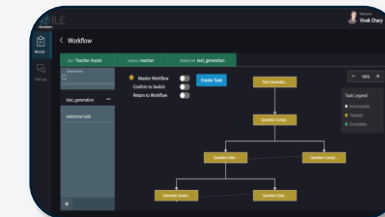
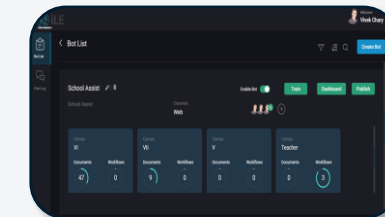
3 Automate Knowledge Workflows



✓ Virtuous cycle results in increasingly better Knowledge Clouds over time



✓ An Out-of-the-Box AI Engine developed with proprietary specialized datasets, over \$300M+ of investments in R&D and 400k+ hours of R&D effort since inception



✓ No-code Workflow & AI Canvas that infuse AI-driven insights in the flow-of-work

Other Platform Features

Cognitive AI Tools

Specialized Data-sets

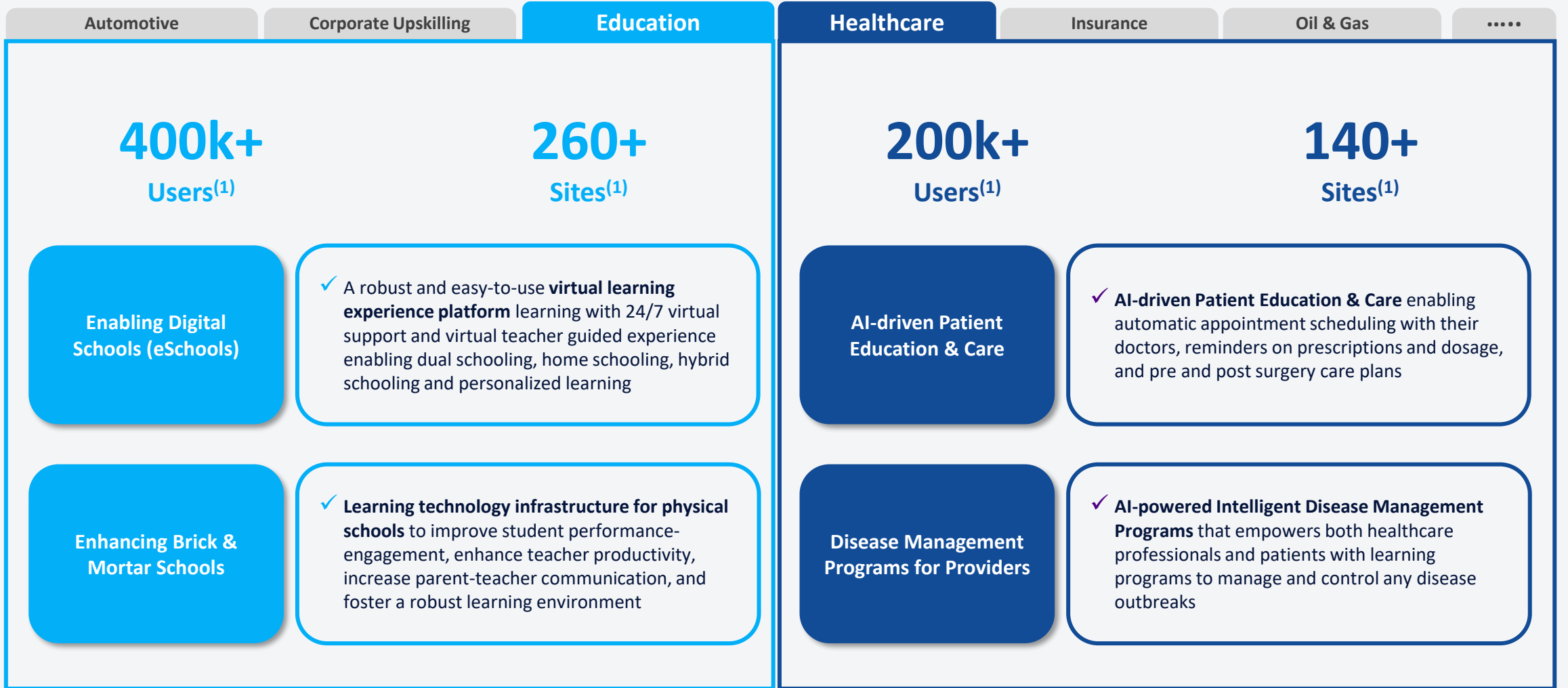
Configurable Integrations

HyperApps

Interactive Visualizations

ILEARNINGENGINES – THE IMPACT

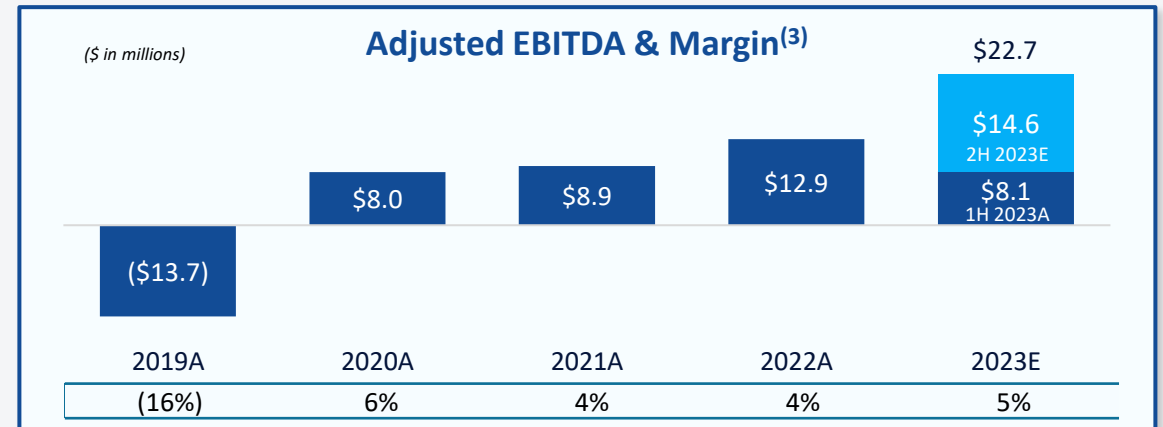
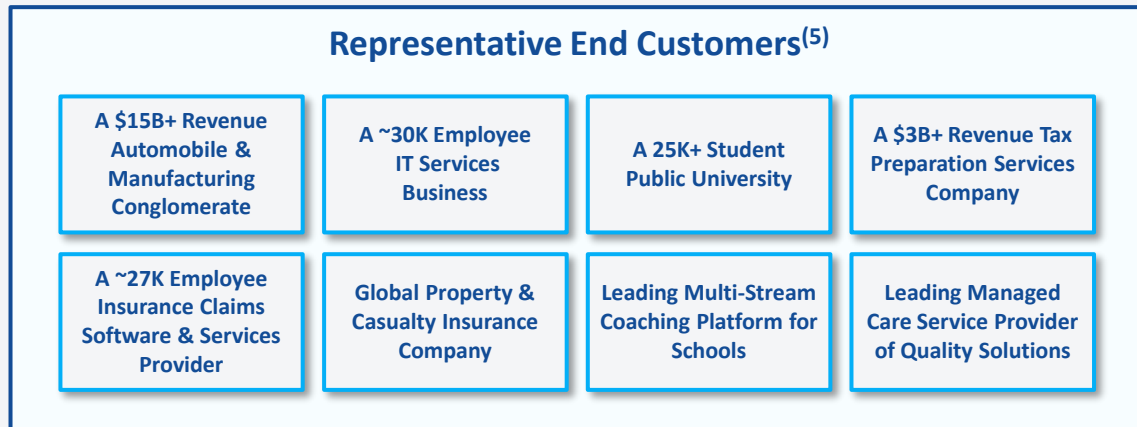
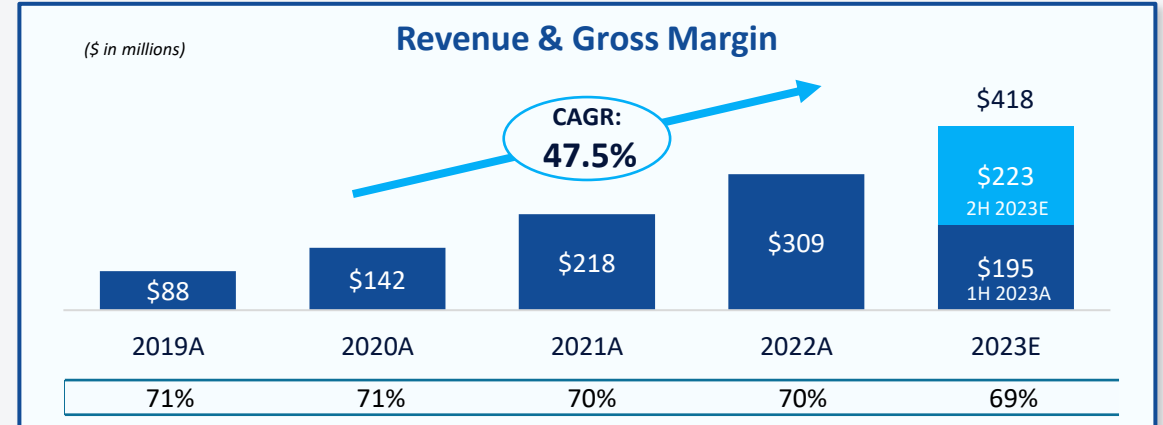
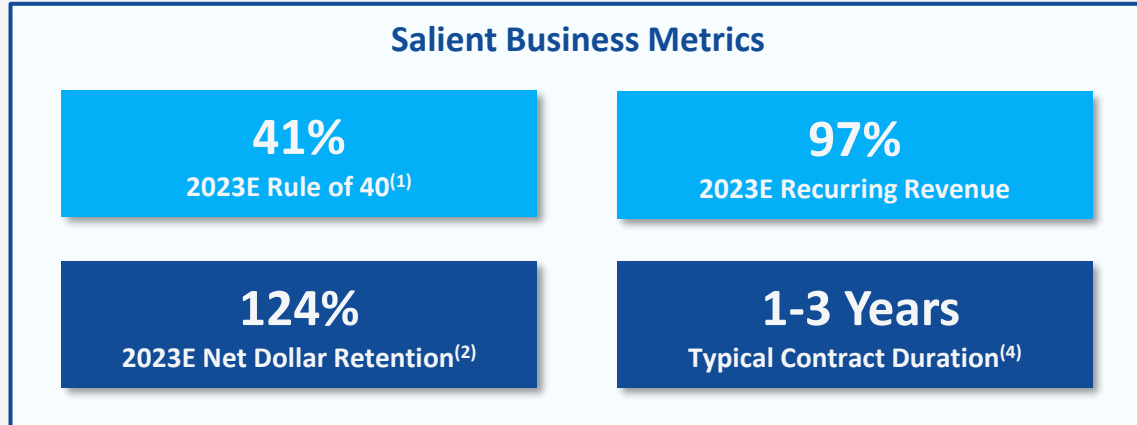
Driving mission critical processes across Education & Healthcare industries at massive scale



(1) Metrics as of June 30, 2023.

ILEARNINGENGINES – THE RESULTS

Scaled, high-growth, profitable AI platform for the enterprise



1,000+ Enterprise End Customers ⁽⁴⁾⁽⁶⁾	4M+ Licensed Users ⁽⁴⁾	12+ Industry Verticals Served ⁽⁴⁾	~500 Employees & Contractors ⁽⁴⁾	6 Global Offices ⁽⁴⁾	2010 Year of Founding
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(1) Rule of 40 is defined as revenue growth + adjusted EBITDA margin. (2) Net dollar retention based on changes in YoY revenue, not ARR. NDR in a year is calculated as recurring revenue generated in that year by customers who generated revenue in the prior year divided by recurring revenue generated by those customers in the prior year. (3) EBITDA is not a measure defined under GAAP. See slide 54 for a reconciliation of EBITDA to net income (loss). (4) Business metrics as of June 30, 2023. (5) Revenue metrics are the latest available LTM figures pulled as of November 2, 2023. Employee counts are S&P Capital IQ estimates. Student count is from the University website. (6) Enterprise denotes customers with 250+ licensed users. We define licensed users as an individual seat with access to the platform. See slide 33 for end customer detail.

MARKET DYNAMICS

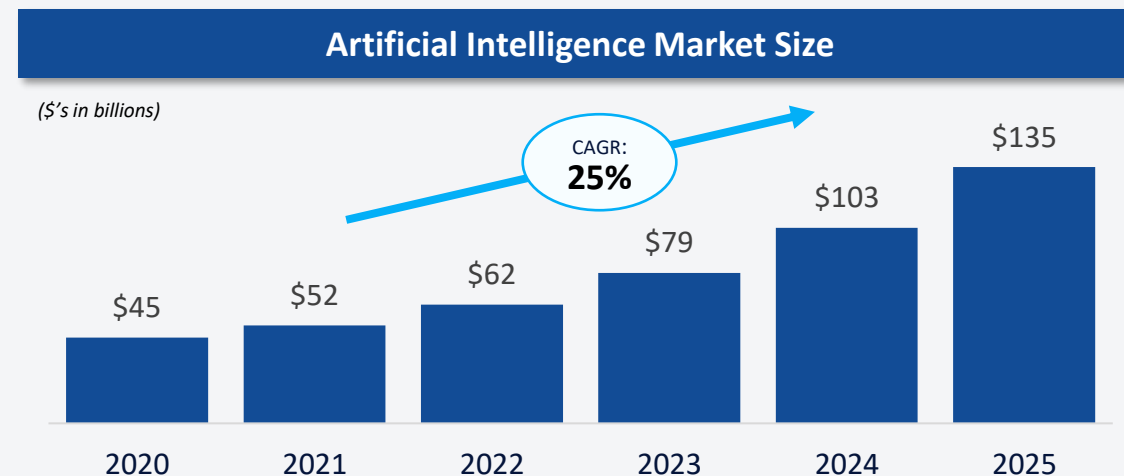
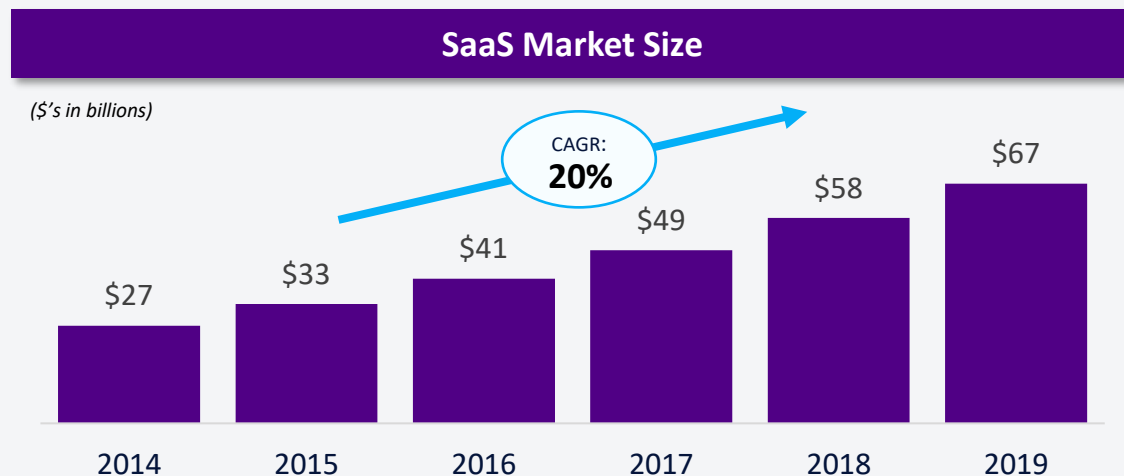
Positioned to benefit from the growth of the AI, Hyperautomation, and e-Learning markets



Sources: Gartner Forecast Analysis: Artificial Intelligence Software, Worldwide (October 20, 2021); Technavio – Global e-Learning Market 2022-2026; Gartner Forecast Analysis: Hyperautomation via Process-Agnostic Software, Worldwide (January 23, 2023). (1) This CAGR is specific to process-agnostic hyperautomation software.

AI INVESTMENT OPPORTUNITY

Artificial Intelligence mirrors the SaaS market opportunity of the mid-2010s

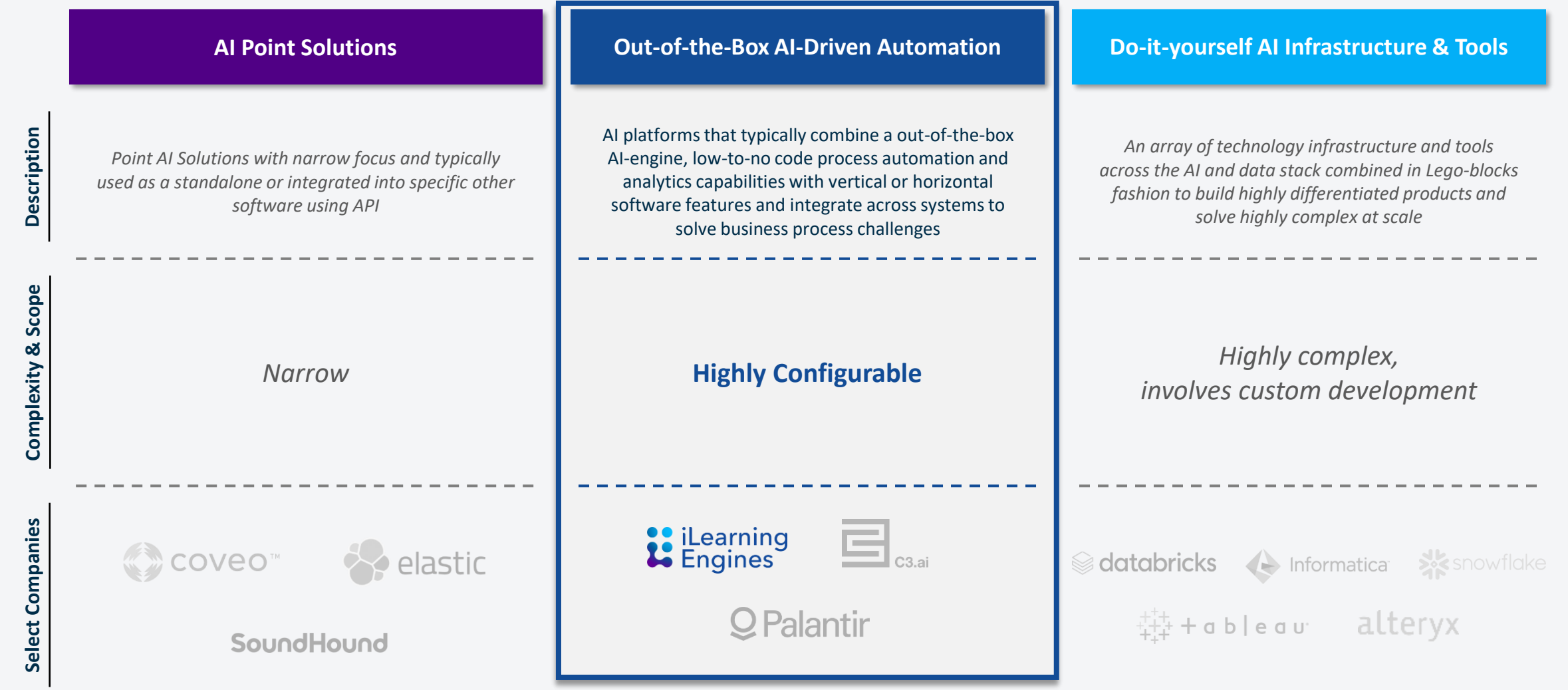


“Kurian has likened generative AI to the invention of cloud computing decades ago, a development that allowed files to be stored on remote servers rather than local devices and accessed through the internet. ‘When the technology is really useful, people tend to stay with it...’”

- Wall Street Journal Article Interview 8/29/23 with Google Cloud’s CEO, Thomas Kurian

OPERATIONALIZING AI FOR THE ENTERPRISE

iLearningEngines positioned as an Out-of-the-Box AI platform



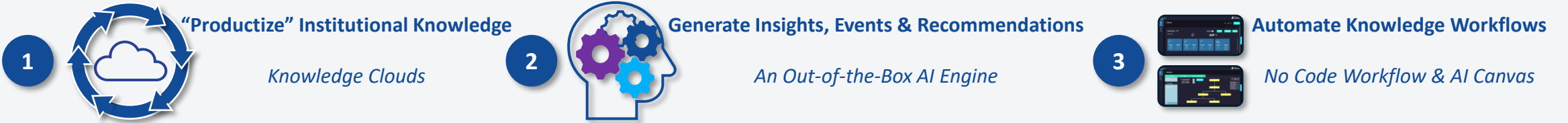
II. Platform & Products Overview



VERTICALIZED APPROACH TO OPERATIONALIZING AI

AI features and products power vertical applications

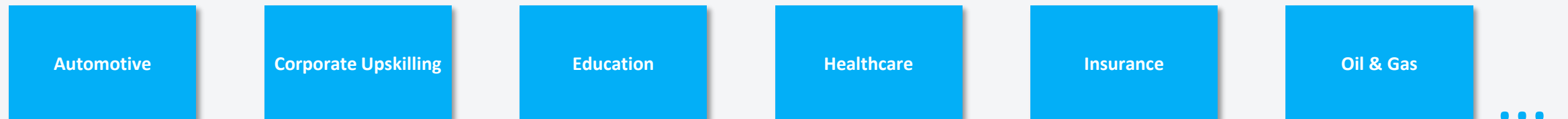
Platform



Products

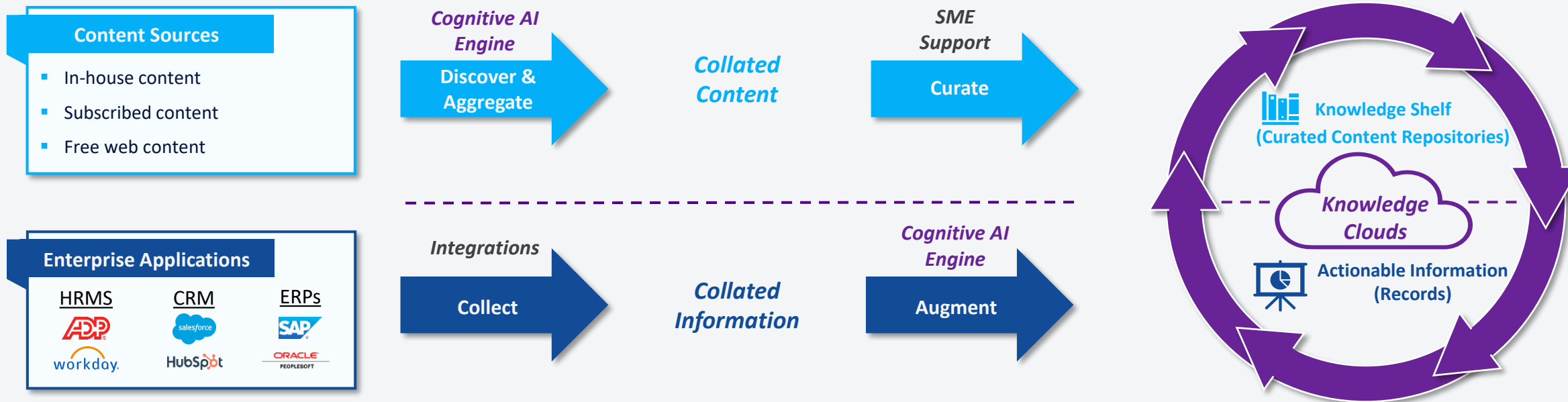


Select Scaled Vertical Solutions



1 “PRODUCTIZE” INSTITUTIONAL KNOWLEDGE

Virtuous cycle results in increasingly better Knowledge Clouds over time



Extensive List of Integrations

Enterprise Applications	Front End Channels	Content Platforms

2 GENERATE INSIGHTS, EVENTS & RECOMMENDATIONS

Cognitive AI Tools leverageable across the platform, products and vertical solutions to drive automation

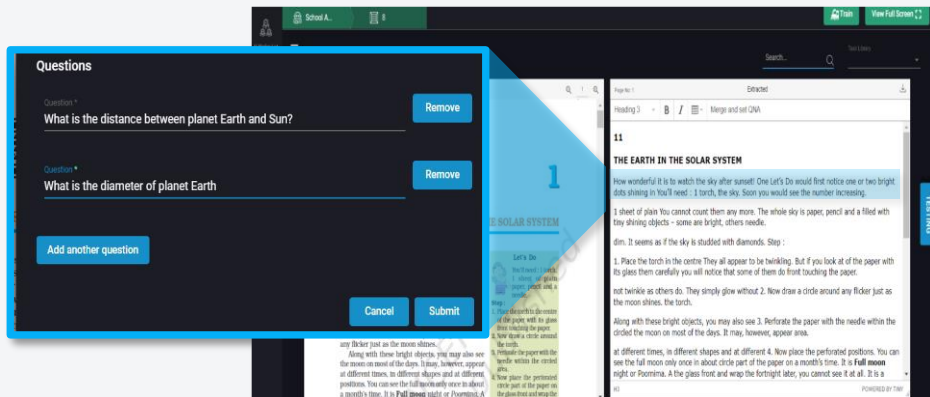
Document Augmentation

- ✓ AI-powered natural language understanding
- ✓ Automatic intent identification and disambiguation
- ✓ Natural Language for synthetic data, query generation and abstractive summarization

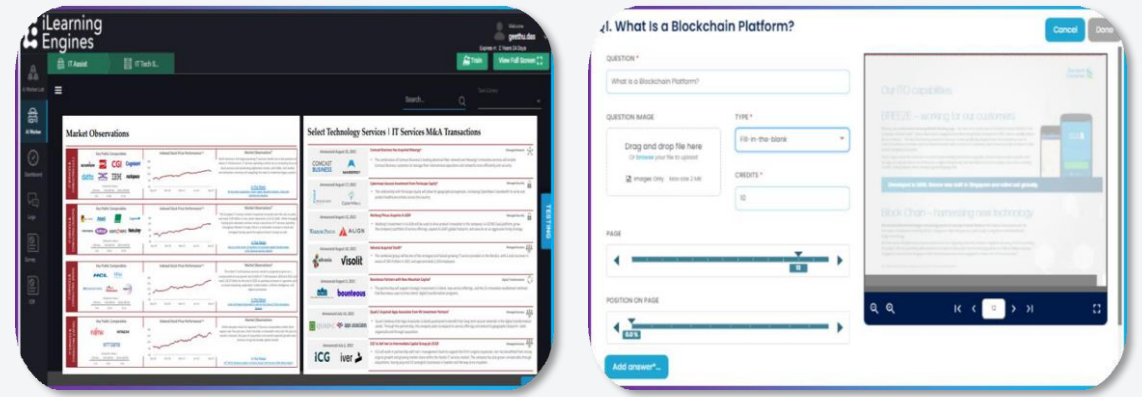
Video/Audio Content Augmentation

- ✓ Automatic text transcript generation for audio and video content
- ✓ Automatic intent identification and disambiguation with contextualization
- ✓ AI-generated question recommendations to augment content and make it learnable

AI-generated Question Recommendation



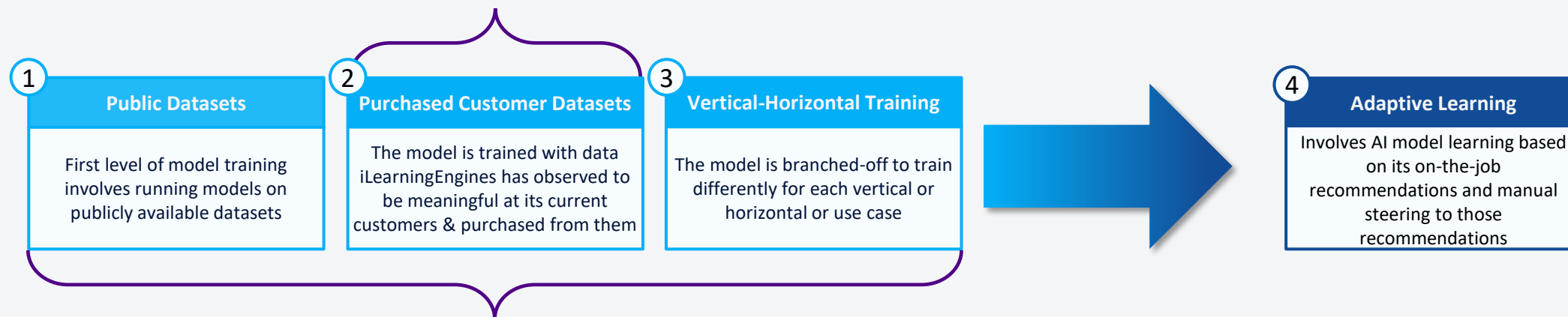
Context-based Search with Intent Identification



2 GENERATE INSIGHTS, EVENTS & RECOMMENDATIONS

Significant R&D investments and proprietary datasets underlie a powerful Out-of-the-Box AI Engine

\$152M+ invested to purchase proprietary datasets⁽¹⁾ to date to train its model and plans to continue purchasing strategic datasets



Over \$300M+ of investments, 400k+ hours of R&D effort and proprietary specialized datasets

Numerous proprietary AI algorithms, encompassing advanced machine learning, NLP, neural networks and adaptive learning models

3 AUTOMATE KNOWLEDGE WORKFLOWS

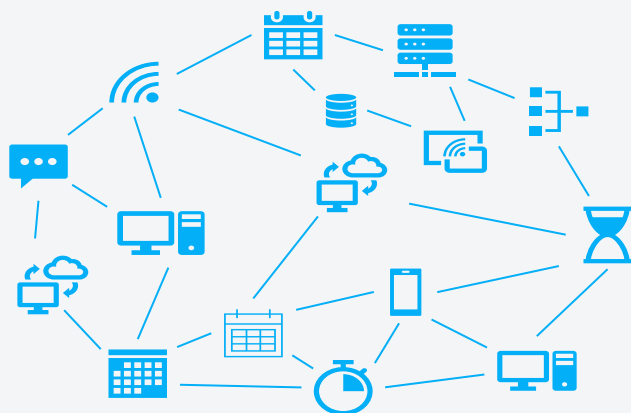
No-code Workflow & AI Canvas infuses AI-driven insights in the flow-of-work

Proliferation of Applications, Workflows and Add-ons Requires an Alternate Management Approach

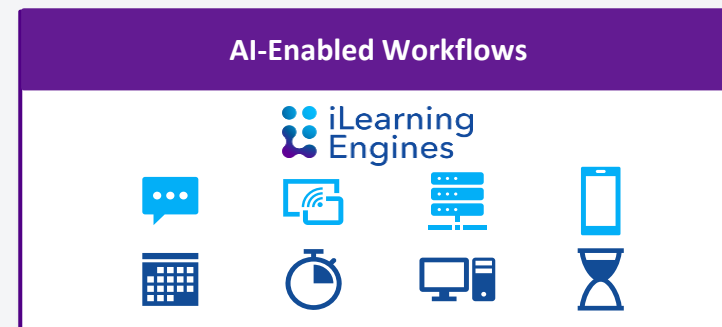
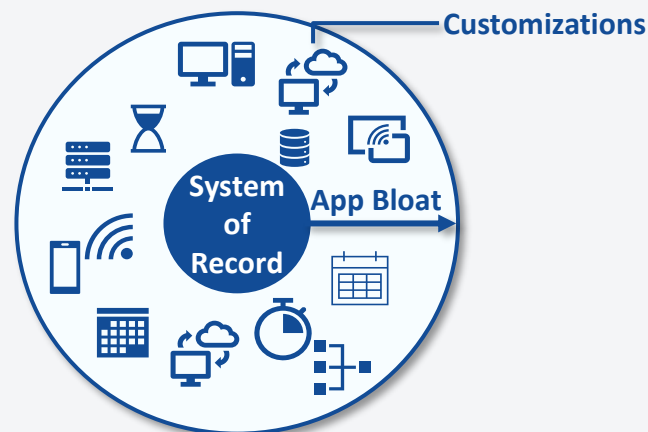


AI-Driven Workflows with a Low Code Platform, Integrating into Systems of Record for Effective Organization of Systems

Application Sprawl on Premise & Cloud

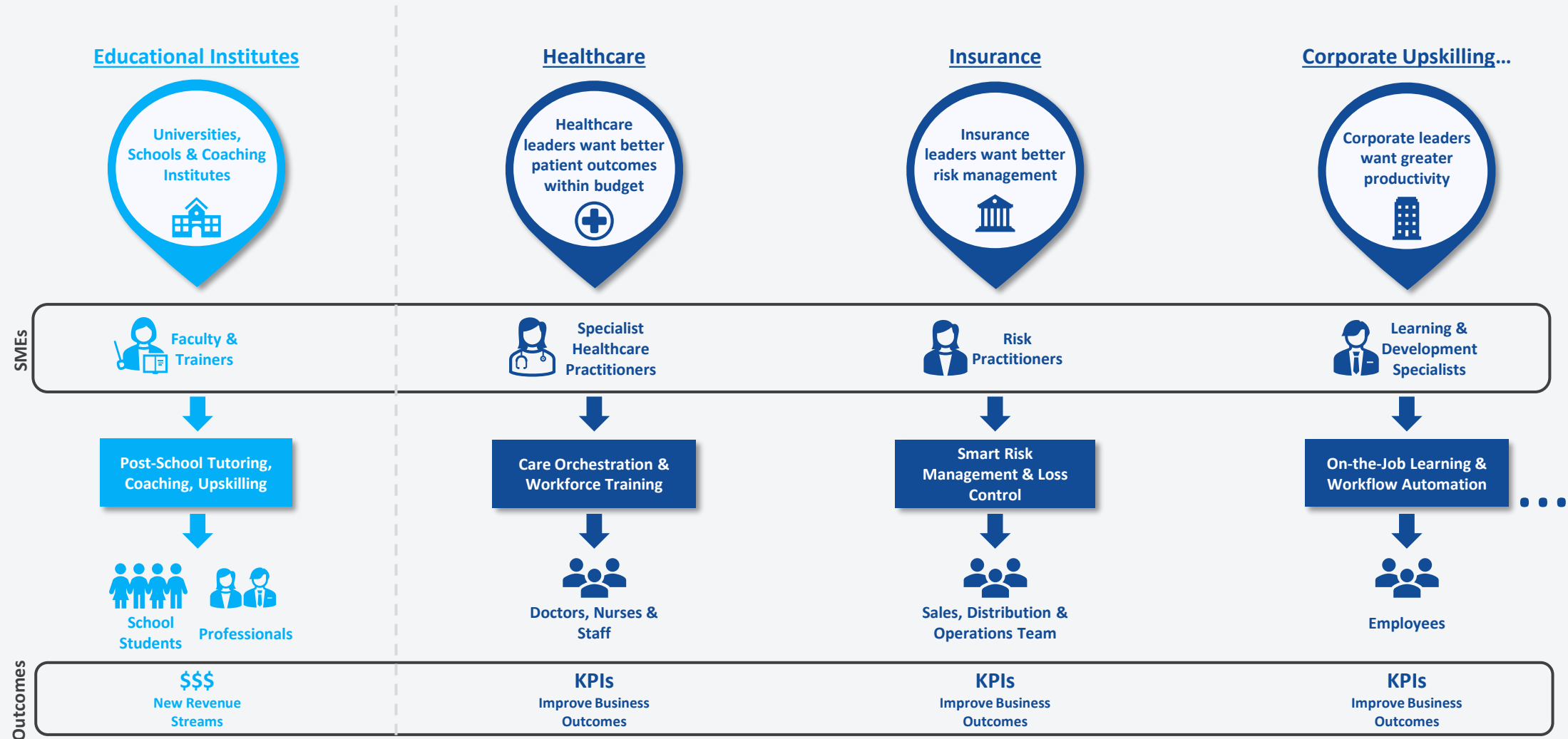


Bloated Applications



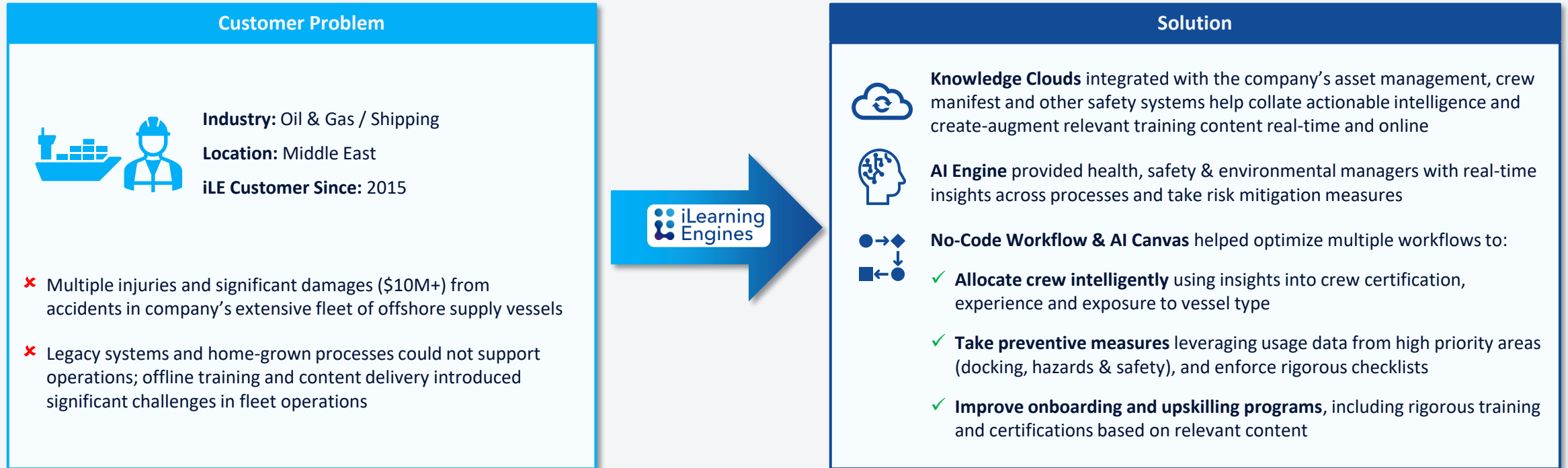
SELECT VERTICAL USE CASES

Platform built to be deployed across multiple verticals



CASE STUDY: OIL & GAS – FLEET OPERATIONS

Offshore fleet operator improved safety processes and employee training



Business Outcomes & KPIs



0 lost time due to incidents for three years



Reduced risk profile



Culture of safety resonated with customers

 **130%**

130% increase in HSE observation cards

BROAD AND GROWING VERTICAL COVERAGE

Growing use case across major segments of the economy

Industry	Key Areas Enhanced
 Automobile	<ul style="list-style-type: none"> ▪ Infuse learning into enterprise processes across enterprise systems and communication channels ▪ Track employee and partner engagement and providing real time insights to functional owners
 Business Services	<ul style="list-style-type: none"> ▪ Usage pattern analysis and proactive notifications to increase efficiency ▪ Usage optimizations and insights to track performance
 EdTech	<ul style="list-style-type: none"> ▪ Provides personalized learning pathways, customized for every student ▪ Transforms learning infrastructure of physical schools to improve engagement
 Financial Services	<ul style="list-style-type: none"> ▪ AI-developed financial models and document automation ▪ Fraud prevention through AI generated algorithms
 Government	<ul style="list-style-type: none"> ▪ Veterans' Employment and Training ("VET") and workforce reinduction readiness ▪ Government distributions processing with automation
 Healthcare & Life Sciences	<ul style="list-style-type: none"> ▪ Improved patient education through triggered appointment scheduling ▪ Enhanced patient engagement and outcomes within budget
 Industrials	<ul style="list-style-type: none"> ▪ Intelligently allocating crew members and operators ▪ Employee / safety performance indicators & support though a central dashboard
 Insurance	<ul style="list-style-type: none"> ▪ Improve safety and compliance with real-time reports and live dashboards ▪ AI-driven risk identification to improve customer acquisition and engagement
 Logistics	<ul style="list-style-type: none"> ▪ Departmental staff profiles with streamlined communication channels ▪ AI-enhanced tracking metrics to improve operational efficiency
 Oil & Gas	<ul style="list-style-type: none"> ▪ Improved safety processes leveraging data from high priority areas ▪ Strengthened employee training to improve onboarding and upskilling programs
 Retail	<ul style="list-style-type: none"> ▪ AI technologies enhance engagement automating labor-intensive tasks ▪ Reskilling existing teams, imparting the technological skills needed for modern retail
 Tech, Media, & Telecom	<ul style="list-style-type: none"> ▪ AI-enabled customer reps & account operations, improving efficiency ▪ AI-enhanced customer engagement and outcomes to track KPIs

Functions Served	
	Compliance
	Finance
	Human Capital Management
	Learning & Development
	Legal
	Operations
	Procurement
	Research & Development
	Sales & Marketing
	Supply Chain Management
	Support

III. Go-to-Market Strategy



GO-TO-MARKET OVERVIEW

Comprehensive strategy helping scale, expand geographic reach, generate verticalized expertise and generate operational leverage



**Complementary Joint
GTM Approach**

A combination of channel-partner network (“CP”) and direct sales (“DS”) leverages the geographic reach and vertical expertise at these partners and strategically focuses direct selling efforts on salient accounts



**Expansive Enterprise
End Customer Base⁽¹⁾**

1,000+ enterprise end customers⁽¹⁾⁽²⁾ across multiple verticals and 4M+ licensed users⁽¹⁾⁽²⁾ leverage iLearningEngines AI-led automation in the flow of their work



**Strategic Channel
Partner Relationships**

Channel partners with expertise in advising on and implementing iLearningEngines at end-customers, often providing dedicated business development resources

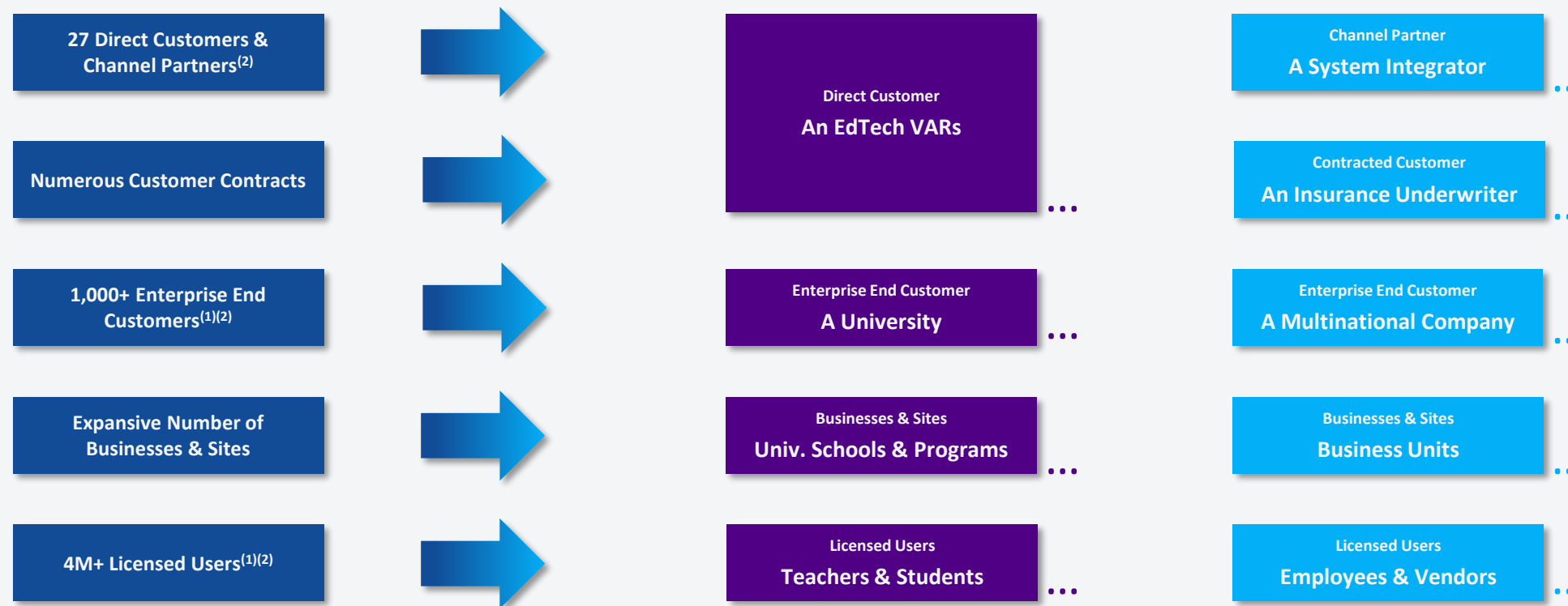


**Bundled Support
Accelerating Adoption**

Bundled support accelerates adoption, helps scale the usage of solutions at customers and drives stickiness

LEVERAGING RELATIONSHIPS TO SCALE REACH

An expansive funnel of relationships allows iLearningEngines to reach end users at scale



(1) Enterprise denotes customers with 250+ licensed users. We define licensed users as an individual seat with access to the platform. (2) Metrics as of June 30, 2023.

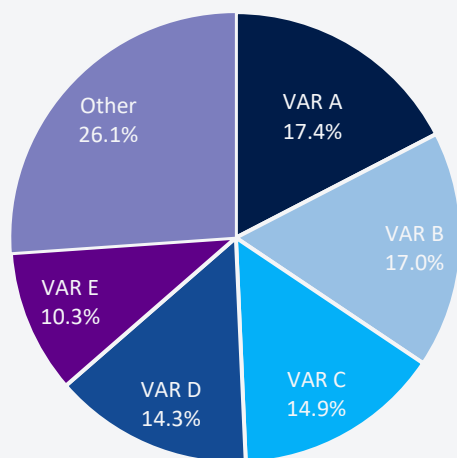
HIGHLY CURATED CHANNEL PARTNER NETWORK

Deep relationship spanning sales, marketing, product, and support

Channel Partner Relationship Dynamics

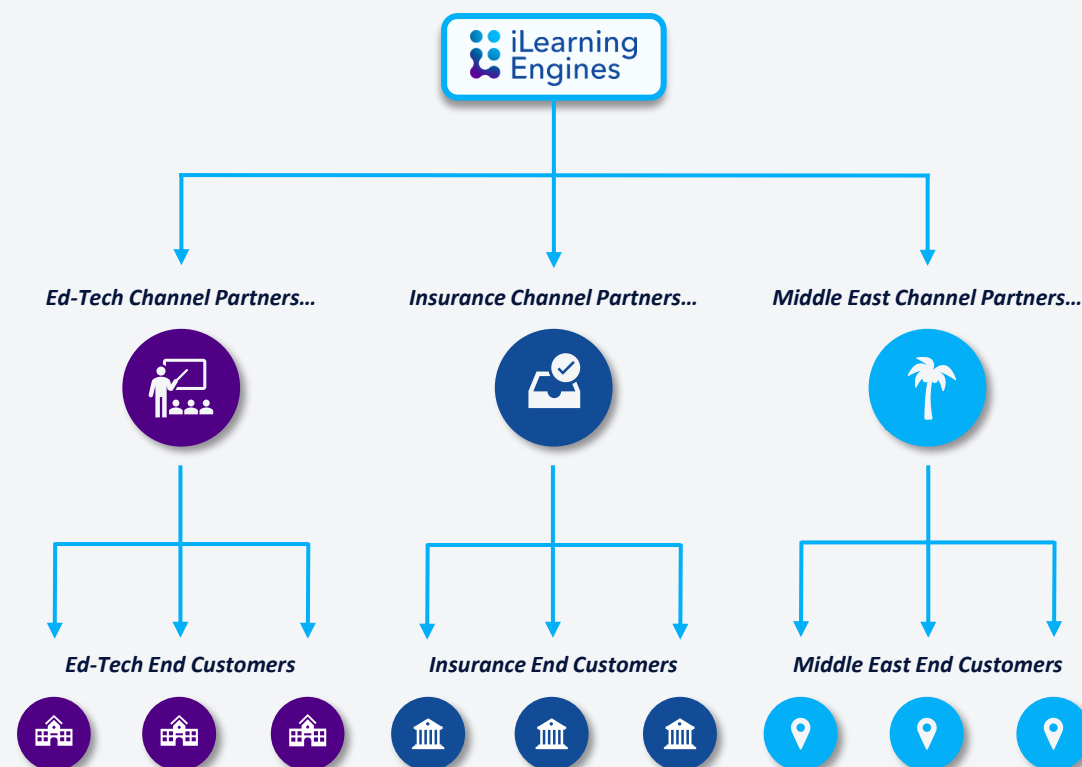
- A network of channel partners that provide iLearningEngines access to enterprise customers across US, Middle East, Australia, UK and Indian markets
- Channel partners use a combination of white-labeling, bundling and pure reselling iLearningEngines' products and have flexibility on pricing the products
- Channel Partners often provide discovery, proof-of-concept ("PoC") and onboarding support services to customers; most Channel Partners handle the simpler level 3 issues and the intermediate level 2 topics; iLearningEngines addresses complex level 1 matters
- Channel Partners often commit business development resources towards iLearningEngines' business development effort

Revenue by Channel Partner / Direct Customers⁽¹⁾



Channel Partner Structure

iLearningEngines' channel partnerships have allowed the Company to gain exposure in various horizontal, vertical and geographic end customers



⁽¹⁾ Based on 2022A financial results. VAR represents valued added reseller. VAR A, C and E are direct customers. VAR B and D are channel partners. Other includes all remaining contracts.

GLOBAL ENTERPRISE CUSTOMER BASE

Diverse global enterprise customer list across various industry verticals

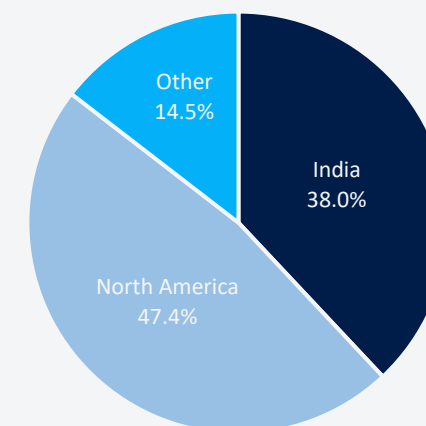
Customer Profile

- iLearningEngines helps 1,000+ enterprise end customers⁽¹⁾ across multiple industry verticals achieve their learning, automation and information intelligence goals
- Customers operate across a variety of verticals, including education, healthcare, insurance, manufacturing, energy and utilities
- High retention rates driven by highly satisfied customers that are expanding adoption of iLearningEngines across their organizations

Representative End Customers⁽⁵⁾

A \$15B+ Revenue Automobile & Manufacturing Conglomerate	A ~30K Employee IT Services Business	A 25K+ Student Public University	A \$3B+ Revenue Tax Preparation Services Company
A ~27K Employee Insurance Claims Software & Services Provider	Global Property & Casualty Insurance Company	Leading Multi-Stream Coaching Platform for Schools	Leading Managed Care Service Provider of Quality Solutions

Revenue by Geography⁽⁴⁾



Key Customer Metrics

1,000+ Enterprise End Customers ⁽¹⁾⁽²⁾	1-3 Years Typical Contract Duration ⁽²⁾
97% 2023E Recurring Revenue	124% 2023E Net Dollar Retention ⁽³⁾
4M+ Licensed Users ⁽¹⁾⁽²⁾	12+ Industry Verticals ⁽²⁾

(1) Enterprise denotes customers with 250+ licensed users. We define licensed users as an individual seat with access to the platform. See slide 33 for end customer detail. (2) Business metrics as of June 30, 2023. (3) Gross and net dollar retention based on changes in YoY revenue, not ARR. NDR in a year is calculated as recurring revenue generated in that year by customers who generated revenue in the prior year divided by recurring revenue generated by those customers in the prior year. (4) Revenue by geography for the six months ended June 30, 2023. (5) Revenue metrics are the latest available LTM figures pulled as of November 2, 2023. Employee counts are S&P Capital IQ estimates. Student count is from the University website.

IV. Financial Overview



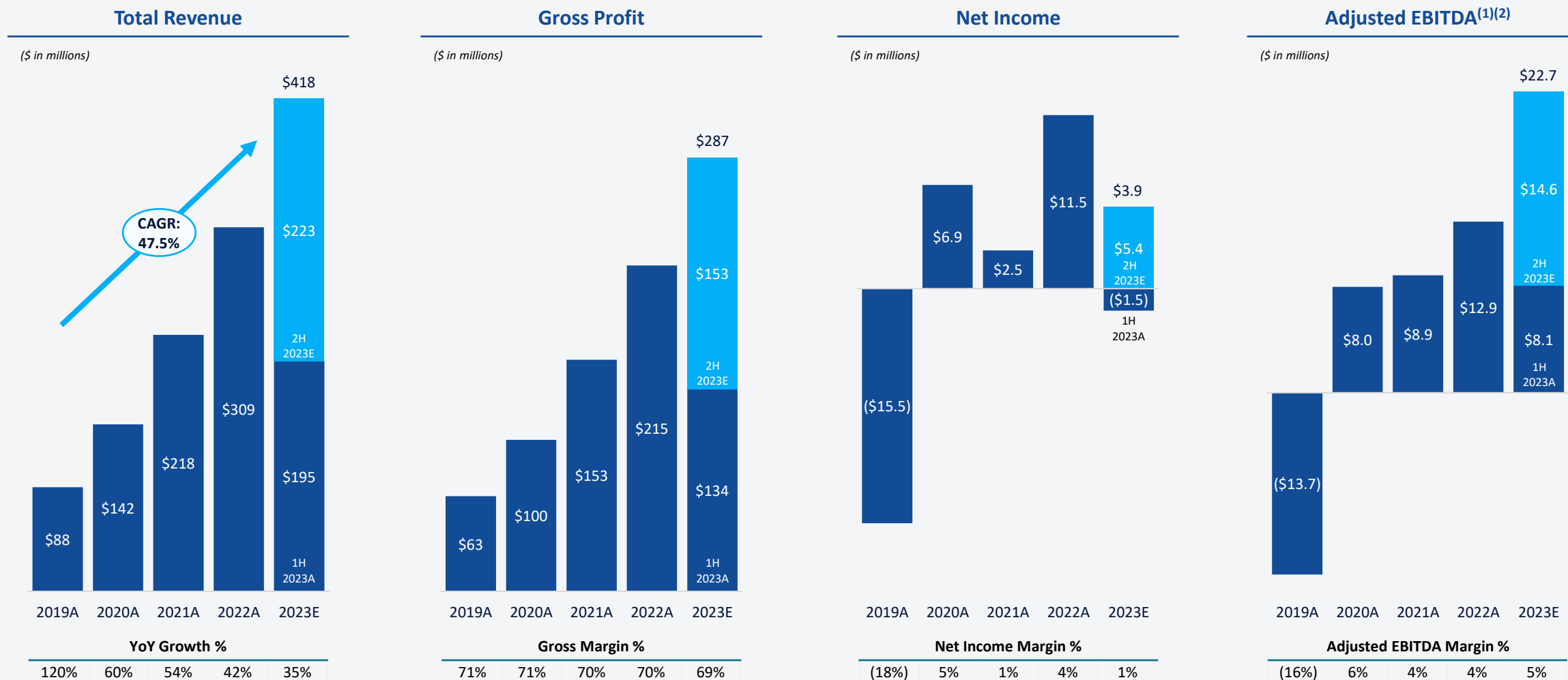
FINANCIAL HIGHLIGHTS

Proven business model with potential for growth and margin expansion



ORGANIC REVENUE GROWTH AND INCREASING PROFITABILITY

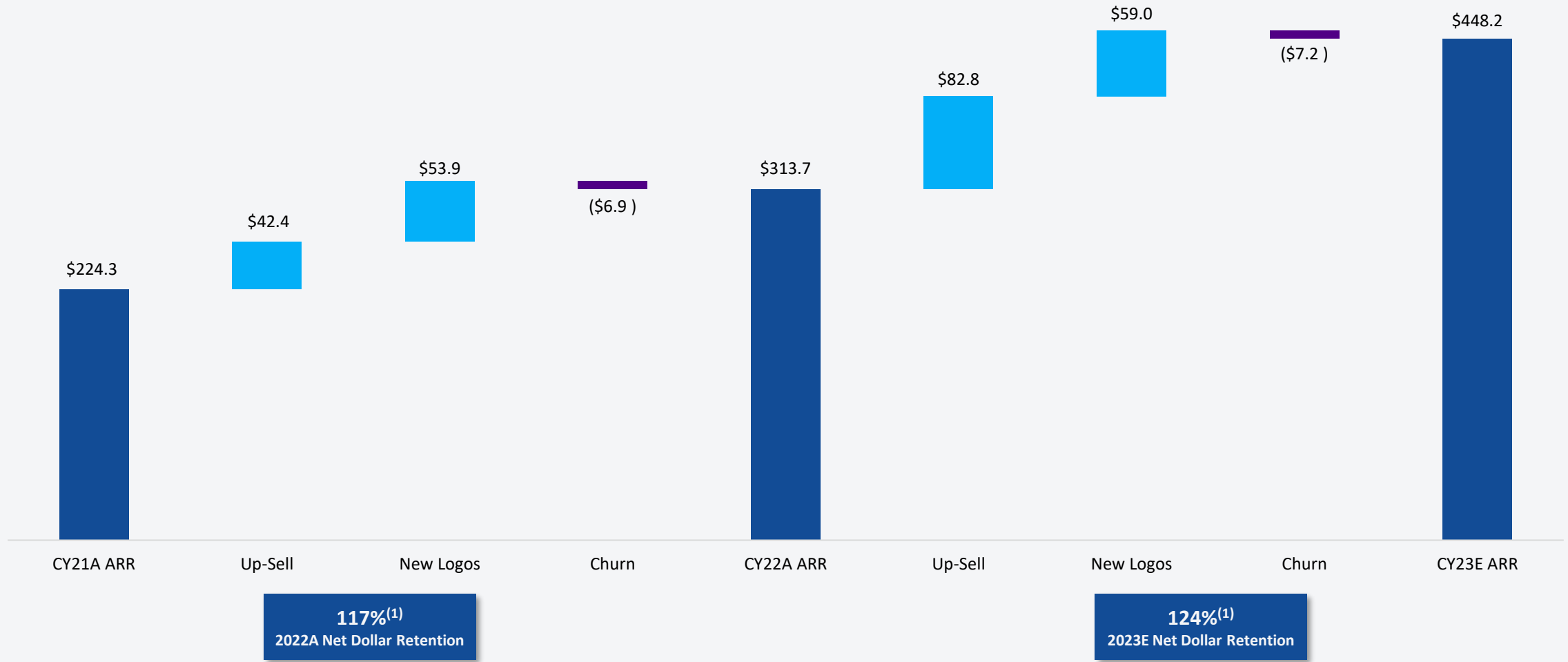
Track record of growth and profitability



(1) 2023E adjusted EBITDA excludes a one-time transaction expense of ~\$5.0 million. (2) EBITDA is not a measure defined under GAAP. See slide 54 for a reconciliation of EBITDA to net income (loss).

MIX OF NEW LOGOS & UPSELL DRIVING GROWTH

Improving gross and net revenue retention



(1) Net dollar retention based on changes in YoY revenue, not ARR. NDR in a year is calculated as recurring revenue generated in that year by customers who generated revenue in the prior year divided by recurring revenue generated by those customers in the prior year.

OPERATING MODEL

Business built to potentially reach higher margins at full scale

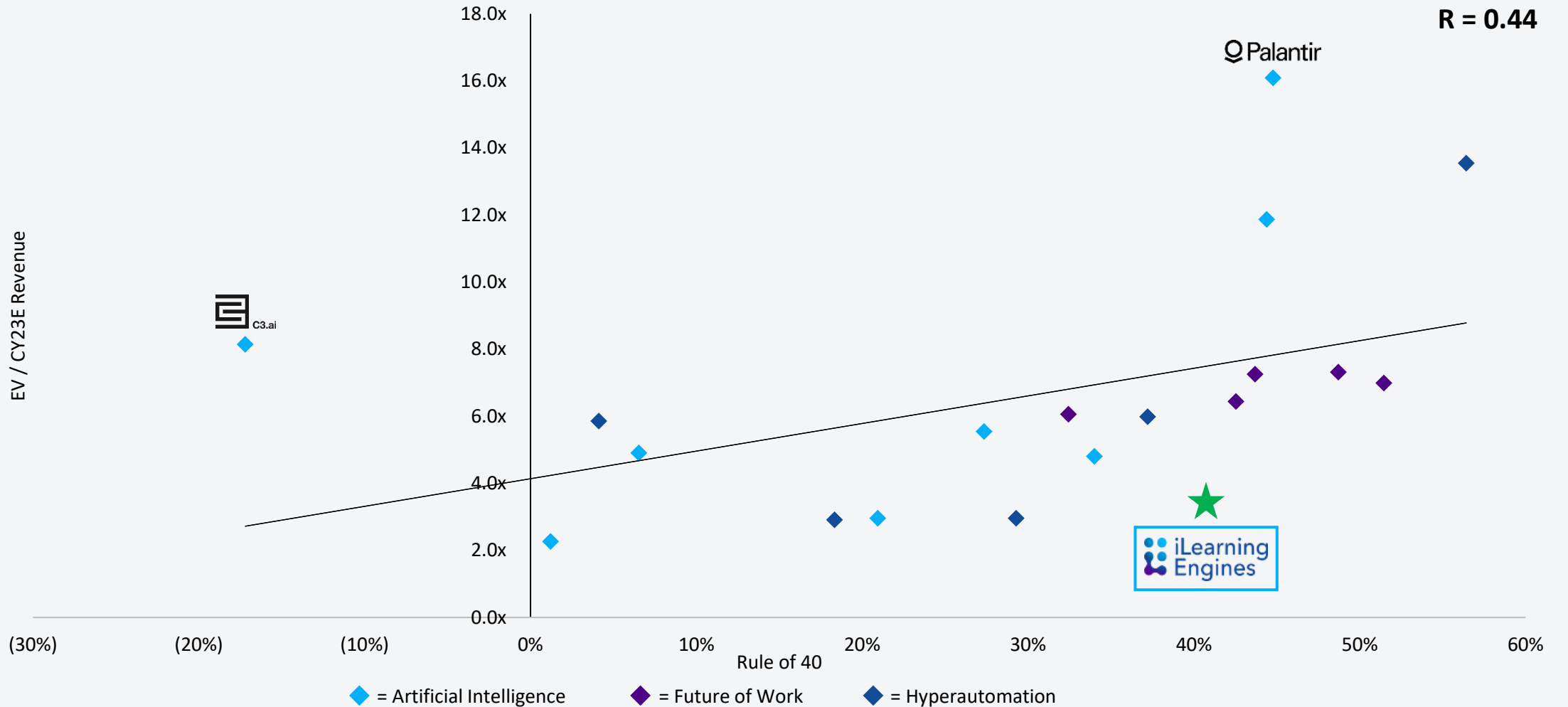
% of Revenue	2019A	2020A	2021A	2022A	2023E
Revenue Growth	120%	60%	54%	42%	35%
Gross Margin	71%	71%	70%	70%	69%
S&M	26%	28%	32%	32%	31%
R&D	56%	36%	33%	32%	31%
G&A	4%	1%	2%	3%	3%
Adj. EBITDA Margin ⁽¹⁾	(16%)	6%	4%	4%	5%

(1) EBITDA is not a measure defined under GAAP. See slide 54 for a reconciliation of EBITDA to net income (loss).

V. Appendix: Comparable Company Benchmarking

RULE OF 40 COMPARISON TO PUBLIC COMPARABLES

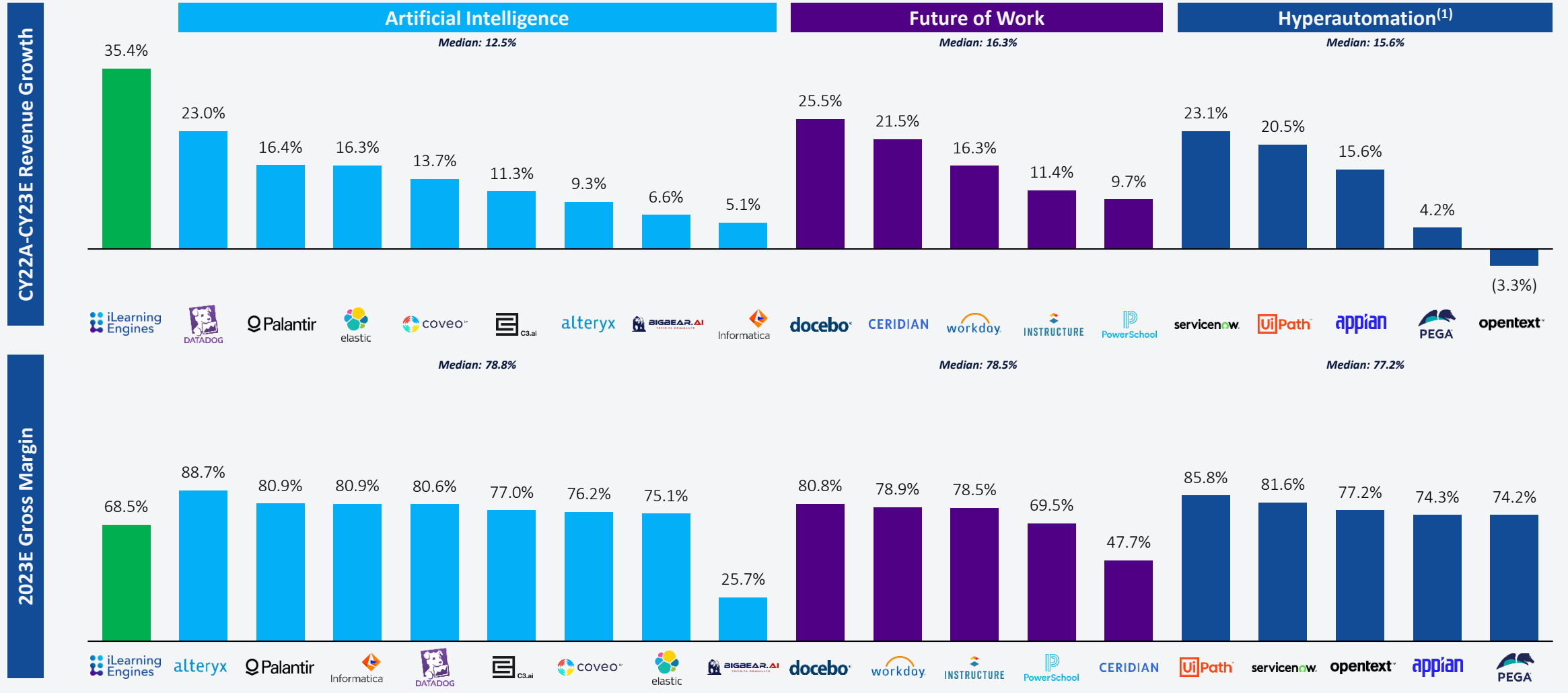
iLearningEngines' current valuation of 3.4x is positioned well to expand as the company scales through access to the public capital markets



Source: Company filings, S&P Capital IQ, market data as of November 2, 2023. Projected or estimated financial information constitutes forward-looking information, and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties. Public company projections are per latest S&P Capital IQ estimates. (1) OpenText revenue and EBITDA figures are pro forma estimates for its acquisition of Micro Focus International. (2) Rule of 40 is defined as revenue growth + adjusted EBITDA margin.

COMPARABLE COMPANY BENCHMARKING

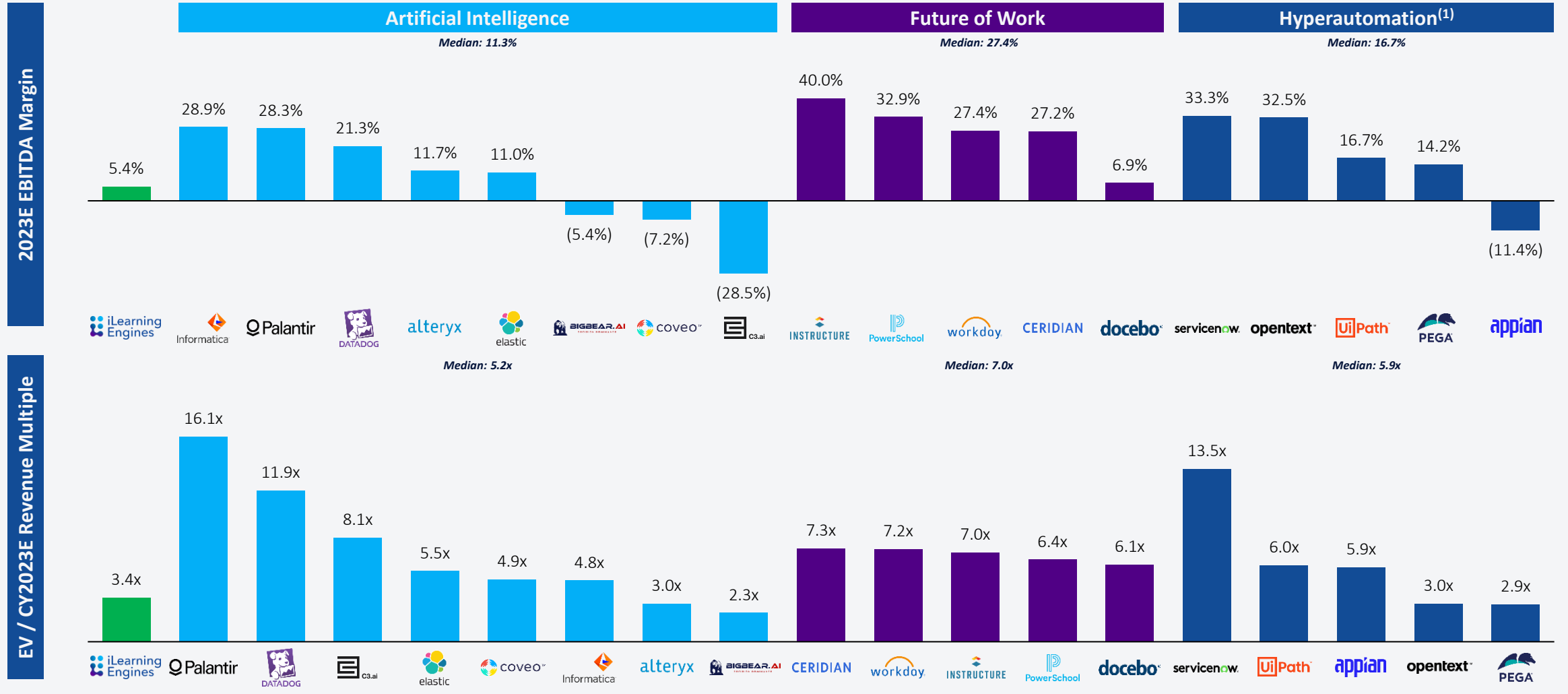
Revenue Growth and Gross Margin Benchmarking



Source: Company filings, S&P Capital IQ, market data as of November 2, 2023. Projected or estimated financial information constitutes forward-looking information, and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties. Public company projections are per latest S&P Capital IQ estimates. (1) OpenText revenue and EBITDA figures are pro forma estimates for its acquisition of Micro Focus International.

COMPARABLE COMPANY BENCHMARKING CONT'D

EBITDA Margin and Valuation Benchmarking



Source: Company filings, S&P Capital IQ, market data as of November 2, 2023. Projected or estimated financial information constitutes forward-looking information, and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive, and other risks and uncertainties. Public company projections are per latest S&P Capital IQ estimates. (1) OpenText revenue and EBITDA figures are pro forma estimates for its acquisition of Micro Focus International.

VI. Appendix: Supplementary Information



ILEARNINGENGINES MANAGEMENT TEAM

A highly experienced, diverse team that has worked across various industry leading businesses



HARISH CHIDAMBARAN

Chairman & CEO

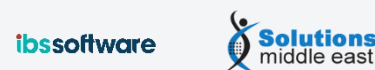
- Founded iLE in 2010
- Nearly 20+ years of executive experience in the technology industry



BALA KRISHNAN

President & CBO

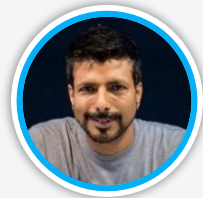
- Joined iLE in 2014 and has led Company's sales and GTM efforts through nearly a decade of hyper growth
- Held prior roles at IBS Software, Solutions Middle East, and BCL Hewlett Packard



FARHAN NAQVI

CFO

- Joined iLE in 2019 and serves as the Chief Financial Officer
- Previous technology investment banker at Deutsche Bank
- Held prior roles at MHT Partners, Nomura, Bain & Company, and EY



SANJEEV MENON

Chief Architect – AI

- Joined iLE in 2019 Chief AI Architect in the Research and Development department
- Prior to iLE, worked in multiple roles across Altisource, Deloitte, EY and PwC



RAM PARAMESWARAN

SVP – Products & Technology

- Joined iLE in 2019 as the Senior Vice President of Technology and Products
- Prior to iLE, served a variety of roles at Infosys Ltd., most recently as Practice Manager and Vertical Head of Digital Department from 2015 – 2019, managing P&L for a \$100 million USD portfolio



VIVEK CHARY

VP – Business Operations & Consulting

- Joined iLE in 2019 and is currently the Vice President of Consulting and Business Operations
- Previously held multiple roles at Infosys Ltd. beginning in 2007, most recently serving as a Principal Consultant from 2014 – 2019



DAVID SAMUELS

Chief Legal Officer & EVP – Corporate Affairs



SHAN WANG

VP – Customer Success & Architectures



ROGER DUFFIELD

GM – Risk Management



ROBBIE EDWARDS

Director – Customer Success & Operations



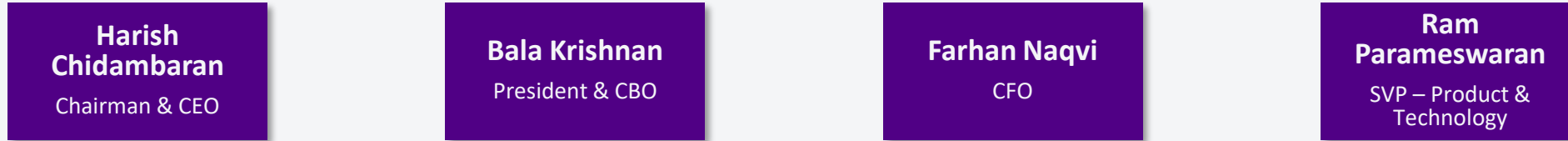
PRIYA PINTO

AVP – Marketing

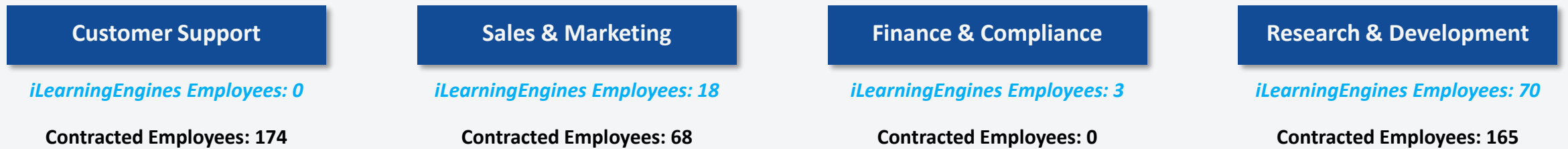
ORGANIZATIONAL SUMMARY

iLearningEngines organizational summary & geographic distribution

iLE Key Leadership



Employee Breakout by Department



Total iLearningEngines Employees: 92

Total Contracted Employees: 407

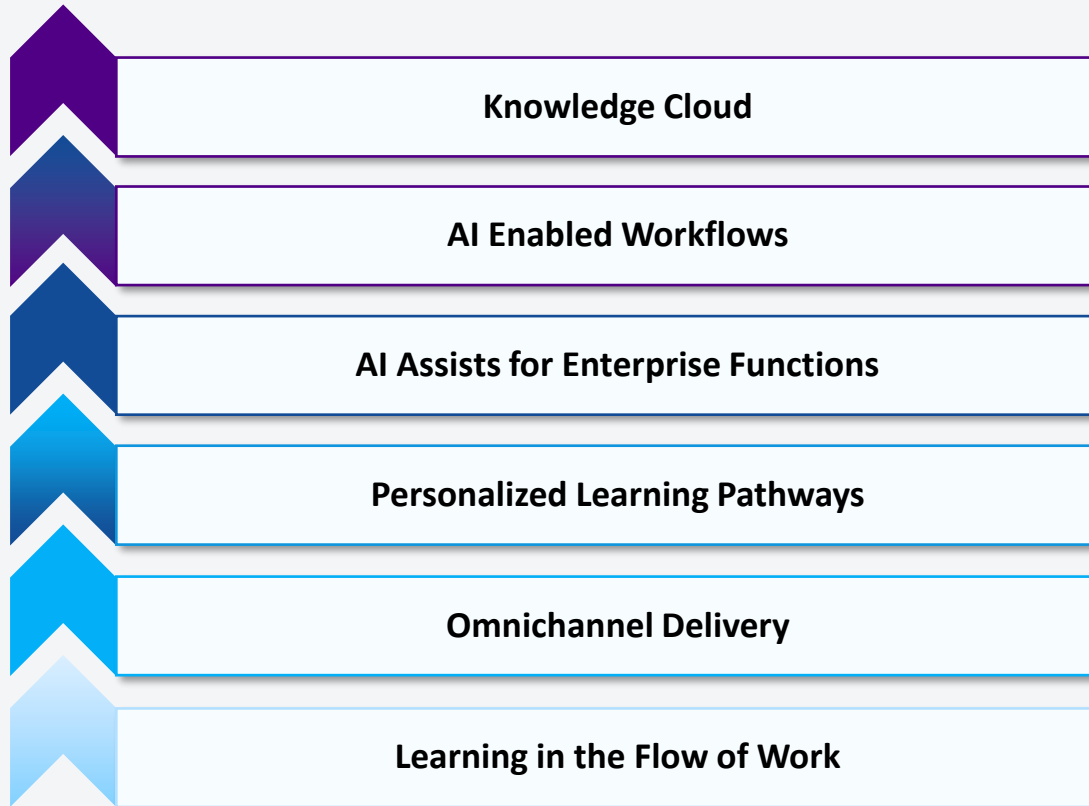
Employee & Contracted Employees Distribution by Geography








PRODUCT: LEARNING AUTOMATION

Enables customers to create personalized learning pathways & close performance gaps

Features & Functionality



Product Benefits

-  Curate learning journeys for individuals using advanced AI models
-  Capture event triggers to deliver learning assets to employee and partners
-  Automate workflows and deliver Learning into enterprise processes
-  Organize and collate content using Smart AI tagging
-  Build a repository of detailed reports for learners, trainers and managers

Business Characteristics

Core Target Market: Ed-tech organizations and medium-to-large enterprises seeking to modernize their learning and close business performance gaps

Revenue Model: Subscription + implementation services

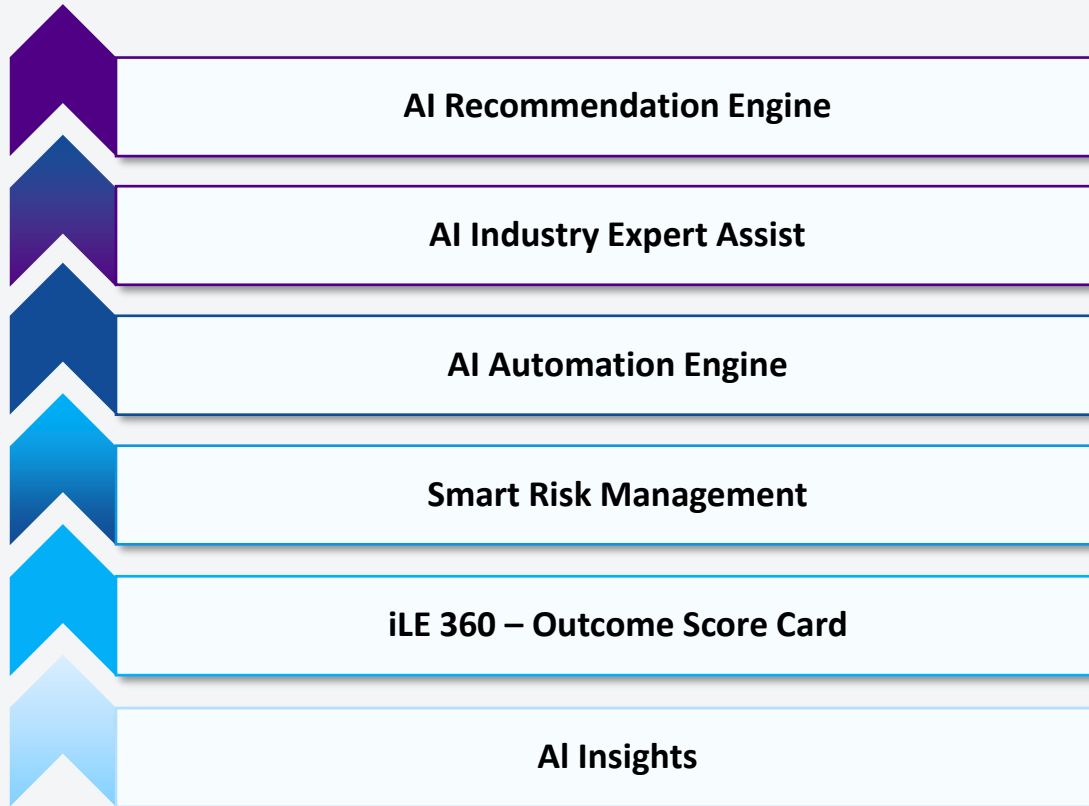
Delivery: White label or bundled

Architecture: Multi-tenant, cloud native with ability to work on-premises






PRODUCT: INFORMATION INTELLIGENCE

Infuse AI in the flow-of-work and use real-time insights to drive operational improvements

Features & Functionality



Product Benefits

-  Individualized user journeys and granular personalization
-  Combines in-process learning and industry use cases to provide expert support
-  AI Insights help drive preventive and predictive decision making
-  Automated training and Enterprise Risk assessments improves compliance
-  On-premises or in-cloud deployment allows for seamless configuration

Business Characteristics

Core Target Market: Medium-to-large enterprises seeking to improve their operationalize processes by infusing AI real-time driven insights in the flow of work

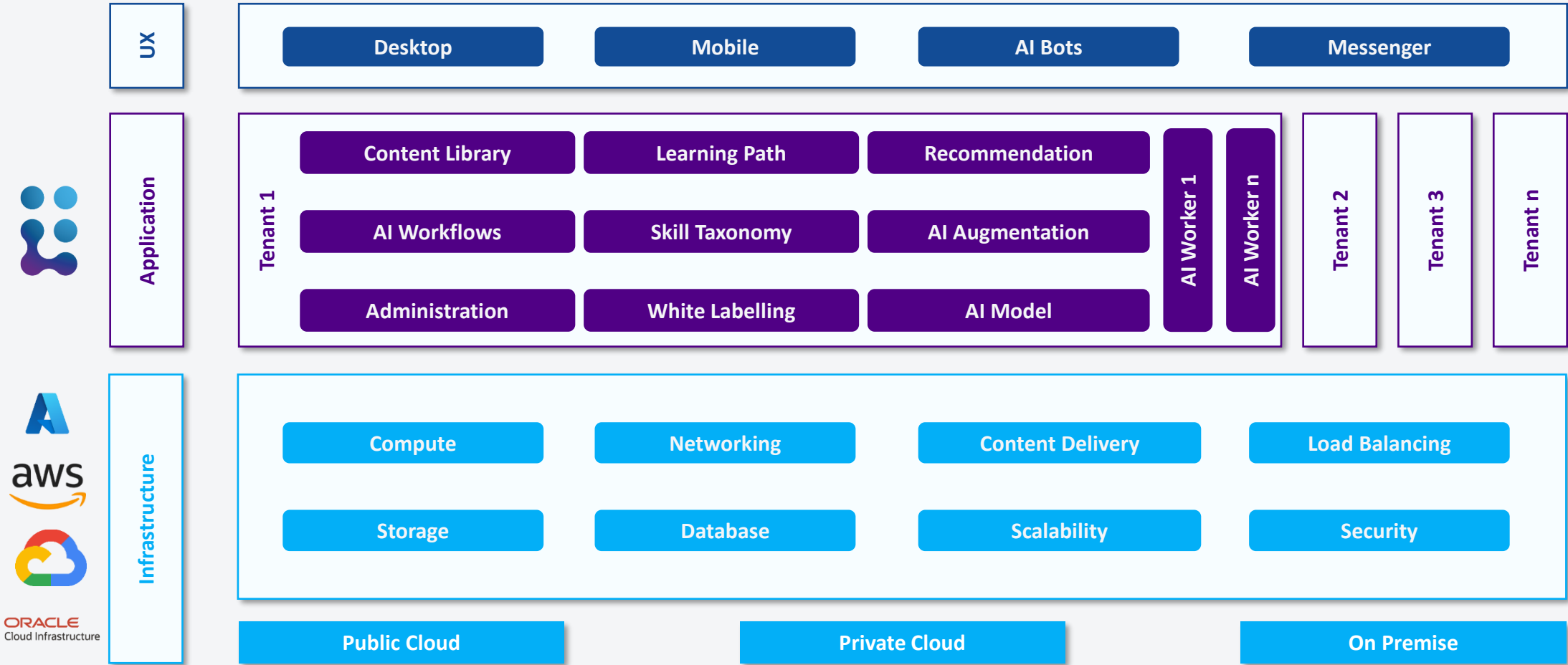
Revenue Model: Subscription + implementation services

Delivery: White label or bundled

Architecture: Multi-tenant, cloud native with ability to work on-premises

MULTI-TENANT CLOUD ARCHITECTURE

Multi-tenant cloud architecture that supports multiple customers on a single instance and can be adapted for various deployment models



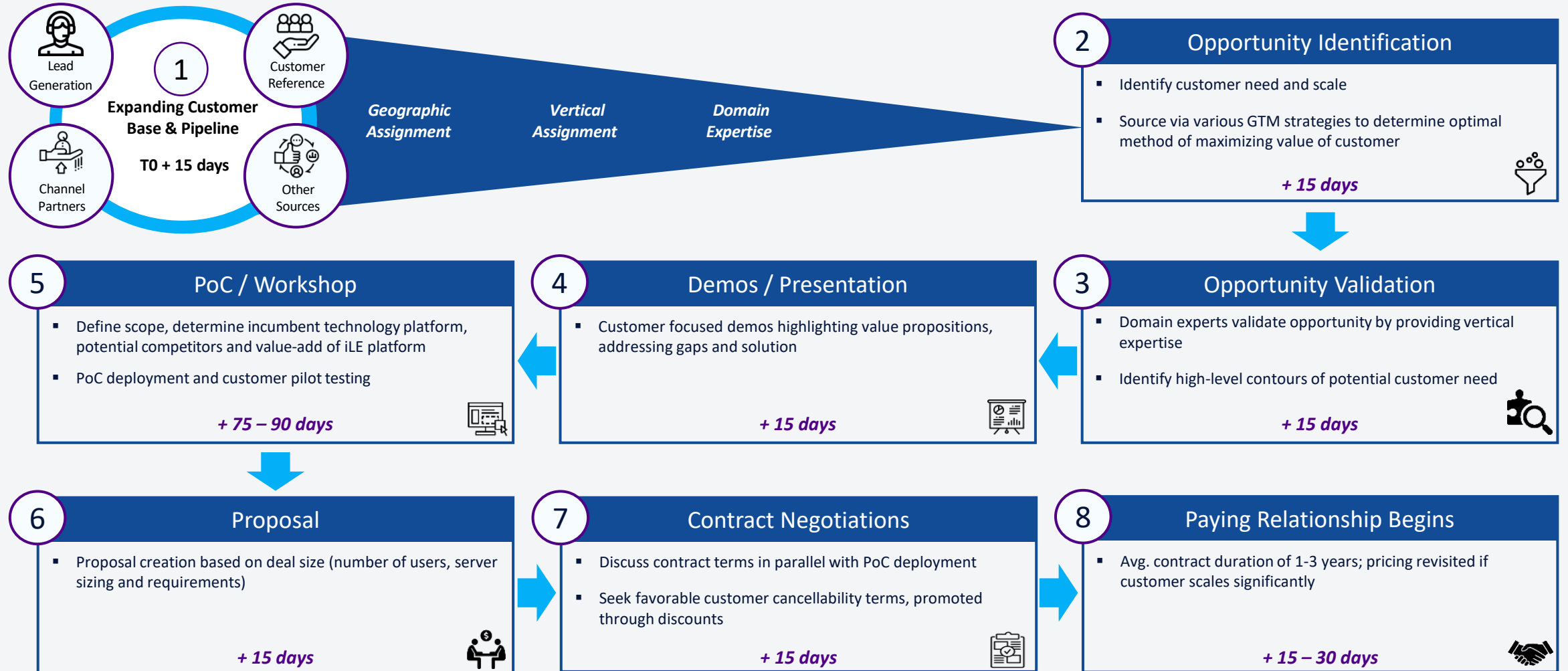
FLEXIBLE DEPLOYMENT ACROSS A RANGE OF CUSTOMER INFRASTRUCTURES

Architecture supports use of iLearningEngines instances as well as deployment at customer public, private or hybrid clouds

	Public Cloud	Private Cloud	iLearningEngines Cloud
Product	iLE Platform, Learning Automation Product, Information Intelligence Product	iLE Platform, Learning Automation Product, Information Intelligence Product	Verticalized Learning Automation for Educational Institutions (e-Schools – Coaching Platform)
Deployment	Dedicated customer instances deeply integrated with their enterprise systems	Dedicated customer instances deeply integrated with their enterprise systems	Centralized cloud platform, Value-Added Partner Hosted White Labeled Platform
Multi-Tenancy	Single instance provides for multiple business units and enterprise-wide AI workers	Single instance provides for multiple departments and function-wise AI workers	Platform serves multiple end-customers with various uses cases at each of these end customers
Infrastructure	<p>Cloud Hosting Provider Infrastructure</p>	<p>Customer Infrastructure Hybrid or On-Premise VMWare Installations</p>	<p>iLearningEngines Cloud or Value-Added Partner Cloud Provider</p>

A POC-LED SALES PROCESS DRIVING HIGH CONVERSION

A sales cycle typically ranging from 6 – 12 months across both direct approach and channel partner driven approach



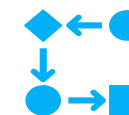
KEY STRATEGIC PARTNER OVERVIEW

VAR D is a product engineering & outsourced services firm with a global footprint



Channel Partnership

iLearningEngines has visibility on the end customer and VAR D earns partner commissions on the customers / revenue they provide (14.3% of revenue in 2022A)



Support Services Partnership

VAR D provides customer support services (~150 professionals⁽¹⁾) to iLearningEngines' customers to fix bugs, test performance and provide other services



Outsourced Product Engineering

VAR D provides outsourced product engineering services (~100 engineers⁽¹⁾) to help iLearningEngines build its platform and product capabilities



Product Development

VAR D has financed development of software features for customers since 2014. iLearningEngines has an outstanding debt balance totaling \$48.3 million as of June 30, 2023

VAR D has been instrumental in iLearningEngines' growth and has been a strategic partner since 2012

NON-GAAP RECONCILIATIONS

Reconciliation to Adjusted EBITDA

	Fiscal Year				
	2019A	2020A	2021A	2022A	2023E
<i>(\$ in millions)</i>					
Net Income	(\$15.5)	\$6.9	\$2.5	\$11.5	\$3.9
Depreciation & Amortization	0.0	0.0	0.0	0.1	0.1
Amortization of Capitalized Software Development	0.0	0.0	0.0	0.0	0.0
Amortization of Capitalized Contract Fulfillment	0.0	0.0	0.0	0.0	0.0
Interest Expense	1.8	1.1	5.0	6.6	7.4
Income Tax Expense	0.0	0.0	0.0	(6.0)	0.5
GAAP EBITDA⁽²⁾	(\$13.7)	\$7.9	\$7.6	\$12.2	\$12.0
<i>EBITDA Margin</i>	<i>(15.5%)</i>	<i>5.6%</i>	<i>3.5%</i>	<i>3.9%</i>	<i>2.9%</i>
1 One-time Transaction Costs	0.0	0.0	1.1	1.0	5.0
2 Changes in Fair Values of Warrant Liability & Convertible Note	0.0	0.0	0.1	(0.2)	5.1
3 Prepayment Charges on Extinguished Debt	0.0	0.0	0.0	0.0	0.6
4 Other Expense	0.0	0.0	0.0	0.0	0.0
5 Share-Based Compensation Expense	0.0	0.1	0.0	0.0	0.0
Adjusted EBITDA⁽¹⁾⁽²⁾	(\$13.7)	\$8.0	\$8.9	\$12.9	\$22.7
<i>Adj. EBITDA Margin</i>	<i>(15.5%)</i>	<i>5.6%</i>	<i>4.1%</i>	<i>4.2%</i>	<i>5.4%</i>

Adjustments Commentary

- 1** Non-recurring costs (including legal and administrative) related primarily to the SPAC transaction, which are truly one-time in nature and are not expected to be incurred again.
- 2** ~\$5.1M aggregate “change in fair value” of convertible notes and warrants.
- 3** Prepayment charges on extinguished debt.
- 4** Primarily forex translation effects and deferred tax expenses.
- 5** Non-cash expense related to the equity compensation awarded to employees.

(1) 2023E adjusted EBITDA excludes a one-time transaction expense of ~\$5.0 million. (2) EBITDA is not a measure defined under GAAP.

All references to “iLearningEngines,” the “Company,” “we,” “us” or “our” refer to iLearningEngines and its consolidated subsidiaries prior to the closing of the Proposed Business Combination with Arrowroot and to references to the “New iLearningEngines” refer to the combined company after the closing of the Proposed Business Combination. The risks presented below are certain of the general risks related to the business of the Company, Arrowroot and the Proposed Business Combination and such list is not exhaustive. The list below is qualified in its entirety by disclosures contained in documents filed, or expected to be filed, or furnished by Arrowroot and the Company with the SEC.

Risks Related to Our Business, Products, Operations, and Industry

- We have a history of net losses and could continue to incur substantial net losses in the future.
- Our recent rapid growth may not be indicative of our future growth. Our rapid growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.
- We may not be able to successfully manage our growth and, if we are not able to grow efficiently, we may not be able to reach or maintain profitability, and our business, financial condition, and results of operations could be harmed.
- Because we derive substantially all of our revenue from our learning automation and information intelligence offerings, failure of this platform to satisfy customer demands could adversely affect our business, results of operations, financial condition, and growth prospects.
- If we are unable to attract new customers, our business, financial condition, and results of operations will be adversely affected.
- If we are not able to expand our usage by existing customers, or our existing customers do not renew their subscriptions, our business, financial condition, and results of operations will be adversely affected.
- A limited number of channel partners represent a substantial portion of our revenue and ARR. If we fail to retain these channel partners, our revenue and ARR could decline significantly.
- Third parties with whom we do business may be unable to honor their obligations to us or their actions may put us at risk.
- We rely on a channel partner for key business development, administrative, operational and other functions that are important to our business. The loss of this service provider could materially and adversely affect our business, results of operations and financial condition.
- If, in the future, we decide to perform business development, administrative, operational and other functions internally that we currently rely on third parties to perform, our business could be harmed by our limited experience and related capabilities.
- The markets in which we participate are competitive and, if we do not compete effectively, our business, financial condition, and results of operations could be harmed.
- If we fail to continue to differentiate our platform and products from those offered by our competitors, then our business, results of operations, and financial condition may be harmed.
- The success of our platform relies on the ability of our AI-enabled ecosystem to create broad solutions across corporate functions, and a failure to do so would adversely affect our business, financial condition, and results of operations.
- Unfavorable conditions in our industry or the global economy, or reductions in customers’ spending on learning automation, could limit our ability to grow our business and negatively affect our results of operations.
- Our projected financial information is subject to significant risks, assumptions, estimates and uncertainties. Our operating and financial result forecasts rely in large part upon assumptions and analyses developed internally. If these assumptions and analyses prove to be incorrect, our actual and expected operating results may differ materially from our expectations.
- If we fail to retain and motivate members of our management team or other key employees or to integrate new team members, fail to execute management transitions, or fail to attract additional qualified personnel to support our operations, our business and future growth prospects could be harmed.
- Market adoption of automated learning solutions is relatively new and may not grow as we expect, which may harm our business and results of operations.
- We may need to change the contract terms, including our pricing model, for our platform which in turn would impact our operating results.

- We rely on our channel partners to generate a substantial amount of our revenue, and if we fail to expand and manage our distribution channels, our revenue could decline and our growth prospects could suffer.
- If we and our channel partners fail to provide sufficient high-quality consulting, training, support, and maintenance resources to enable our customers to realize significant business value from our platform, we may see a decrease in customer adoption of our platform.
- If we are not able to introduce new features or services successfully and to make enhancements to our platform or products, our business and results of operations could be adversely affected.
- We target enterprise customers, and sales to these customers involve risks that may not be present or that are present to a lesser extent with sales to smaller entities.
- If our marketing strategies fail to lead to customers purchasing paid licenses, our ability to grow our revenue will be adversely affected.
- Real or perceived errors, failures, or bugs in our platform and products could adversely affect our business, results of operations, financial condition, and growth prospects.
- Incorrect or improper implementation or use of our platform and products could result in customer dissatisfaction and harm our business, results of operations, financial condition, and growth prospects.
- We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price could decline.
- If the estimates and assumptions we have used to calculate the size of our addressable market opportunity are inaccurate, our future growth rate may be limited.
- We may require additional capital to support the growth of our business, and this capital may not be available on acceptable terms, if at all.
- If we fail to maintain and enhance our brand, our ability to expand our customer base will be impaired and our business, financial condition, and results of operations may suffer.
- If we are unable to ensure that our platform integrates with a variety of software applications that are developed by others, including our integration partners, we may become less competitive and our results of operations may be harmed.
- If we cannot maintain our corporate culture as we grow, our success and our business and competitive position may be harmed.
- Our growth strategy relies in part on making accretive strategic investments. Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition, and results of operations.
- Our business, financial condition, results of operations, or cash flows could be significantly hindered by the occurrence of a natural disaster, military action, terrorist attack, or other catastrophic event.
- Any future litigation against us could be costly and time-consuming to defend.
- Indemnity provisions in various agreements to which we are party potentially expose us to substantial liability for potential losses, including those arising from intellectual property or data protection claims.
- Our outstanding indebtedness could adversely affect our financial condition and our ability to operate our business and pursue our business strategies and we may not be able to generate sufficient cash flows to meet our debt service obligations.
- Unfavorable media coverage could materially adversely affect our business, brand image or reputation.
- We rely on cross-functional data sets from our customers. If we are not able to acquire or utilize such data sets, or regulations limit us from doing so, our business, financial condition, and results of operations could be adversely affected.
- Our current operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.

Risks Related to Data Privacy and Cybersecurity

- We are subject to stringent and changing obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences.
- If our information technology systems or data, or those of third parties upon which we rely, are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.

Risks Related to Regulatory Compliance and Governmental Matters

- We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws, and noncompliance with such laws can subject us to criminal or civil liability and harm our business, financial condition, and results of operations.
- Sales to highly regulated organizations are subject to a number of challenges and risks.
- We are subject to governmental export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate the controls.
- We may be subject to state unauthorized practice of medicine or corporate practice of medicine restrictions.
- If the FDA determines our AI Platform is a medical device, our business could suffer.

Risks Related to Our Intellectual Property

- Any failure to obtain, maintain, protect, or enforce our intellectual property and proprietary rights could impair our ability to protect our proprietary technology and our brand.
- We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming, and unsuccessful.
- If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.
- We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.
- We use open-source software in our products, which could negatively affect our ability to sell our services or subject us to litigation or other actions.
- If we cannot license rights to use technologies on reasonable terms, we may be unable to license rights that are critical to our business.
- We may become subject to intellectual property claims from third parties, which may subject us to significant liability, increased costs, and impede our ability to operate our business.

Risks Related to Tax and Accounting Matters

- Our corporate structure and intercompany arrangements cause us to be subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which could materially adversely affect our business, financial condition, results of operations, and prospects.
- Changes in tax laws or tax rulings could materially affect our financial condition, results of operations, and cash flows.
- Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations.
- Our business may be subject to sales and other taxes.
- Our ability to use our net operating losses ("**NOLS**") to offset future taxable income may be subject to certain limitations.
- Our reported financial results may be adversely affected by changes in GAAP.
- Our revenue recognition policy and other factors may cause variability of our financial results in any given period and make them difficult to predict.

Risks Related to the Business Combination and New iLearningEngines

- If the perceived benefits of the Business Combination do not meet the expectations of investors or securities analysts, the market price of Arrowroot's common stock may decline before the Closing, or the market price of New iLearningEngines' securities may decline after the Closing.
- Nasdaq may not list New iLearningEngines' Common Stock, which could limit investors' ability to make transactions in New iLearningEngines' Common Stock and subject it to additional trading restrictions.
- Legal proceedings in connection with the Business Combination, the outcomes of which are uncertain, could delay or prevent the completion of the Business Combination.
- The announcement of the Business Combination could disrupt iLearningEngines' relationships with its customers, providers, business partners and others, as well as its operating results and business generally.
- Third parties may terminate or alter existing contracts or relationships with Arrowroot or iLearningEngines.
- We anticipate spending substantial funds in connection with the tax liabilities that arise upon the settlement of RSUs and the vesting of restricted stock as a result of this offering.
- Subsequent to the consummation of the Business Combination, New iLearningEngines may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on its financial condition, results of operations and share price, which could cause you to lose some or all of your investment.
- Arrowroot and iLearningEngines will incur significant transaction and transition costs in connection with the Business Combination.
- Future resales of New iLearningEngines' securities may cause the market price of such securities to drop significantly, even if New iLearningEngines' business is doing well.
- New iLearningEngines may issue additional shares or other equity securities without your approval, which would dilute your ownership interest and may depress the market price of New iLearningEngines' Common Stock.
- Fluctuations in operating results, quarter to quarter earnings and other factors, including incidents involving customers and negative media coverage, may result in significant decreases in the price of New iLearningEngines' securities.
- An active market for New iLearningEngines' securities may not develop, which would adversely affect the liquidity and price of New iLearningEngines' securities.
- Our President and Chief Executive Officer has control over key decision making as a result of his control of a majority of our common stock.
- Concentration of ownership after the Business Combination may have the effect of delaying or preventing a change in control.
- Claims for indemnification by New iLearningEngines' directors and officers may reduce its available funds to satisfy successful third-party claims against New iLearningEngines and may reduce the amount of money available to New iLearningEngines.
- New iLearningEngines will be deemed to be an "emerging growth company" and, as a result of the reduced disclosure and governance requirements applicable to emerging growth companies, New iLearningEngines' Class A shares may be less attractive to investors.
- Anti-takeover provisions contained in the Proposed Charter and Proposed Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Risks Related to Being a Public Company

- We do not have experience operating as a United States public company and may not be able to adequately develop and implement the governance, compliance, risk management and control infrastructure and culture required for a public company, including compliance with the Sarbanes Oxley Act.
- We will incur increased costs as a result of preparing to operate as a public company, and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes-Oxley Act, which could result in sanctions or other penalties that would adversely impact our business.

- Our management has identified material weaknesses in our internal control over financial reporting and we may identify additional material weaknesses in the future. If we fail to remediate the material weaknesses or if we otherwise fails to establish and maintain effective control over financial reporting, we may adversely affect our ability to accurately and timely report our financial results, and may adversely affect investor confidence and business operations.
- If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

Risks Related to Arrowroot's Business and the Business Combination

- The Business Combination and New iLearningEngines becoming a publicly listed company as a result of the Merger differs significantly from an underwritten initial public offering.
- The unaudited pro forma financial information included herein may not be indicative of what New iLearningEngines' actual financial position or results of operations would have been.
- Arrowroot's Sponsor, officers and directors have agreed to vote in favor of the Business Combination, regardless of how the Public Stockholders vote.
- Arrowroot may not be able to consummate an initial business combination within the required time period, in which case it would cease all operations except for the purpose of winding up and it would redeem the Public Shares and liquidate, in which case the Public Stockholders may only receive \$10.00 per share, or less than such amount in certain circumstances, and the Public Warrants will expire worthless.
- Arrowroot's Sponsor, directors, officers, advisors and their affiliates may elect to purchase Public Shares or Public Warrants, which may influence the vote on the Business Combination and reduce the public "float" of Arrowroot Class A Common Stock.
- The Arrowroot Warrants are accounted for as liabilities and the changes in value of the Arrowroot Warrants could have a material effect on its financial results.
- The future exercise of registration rights may adversely affect the market price of New iLearningEngines Common Stock.
- At Closing, the trading price per share value of New iLearningEngines Common Stock may be less than the per share value of the Trust Account.
- Warrants will become exercisable for New iLearningEngines Common Stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to Arrowroot's stockholders.
- Because the market price of shares of Arrowroot Class A Common Stock will fluctuate, iLearningEngines' stockholders cannot be sure of the value of the consideration they will receive in the Merger.
- Arrowroot's Public Stockholders will experience immediate dilution due to the issuance of shares of Arrowroot Class A Common Stock to iLearningEngines stockholders in the Business Combination, and to the Convertible Note Investors in the Convertible Note Investment and may experience additional dilution as a consequence of certain transactions, including the issuance of shares of Arrowroot Class A Common Stock in a PIPE financing in the future. Having a minority share position may reduce the influence that Arrowroot's current stockholders have on the management of New iLearningEngines.
- Neither Arrowroot nor its stockholders will have the protection of any indemnification, escrow, price adjustment or other provisions that allow for a post-closing adjustment to be made to the total Merger Consideration in the event that any of the representations and warranties made by iLearningEngines in the Merger Agreement ultimately proves to be inaccurate or incorrect.
- Arrowroot has identified a material weakness in its internal control over financial reporting as of March 31, 2023. This material weakness could continue to adversely affect its ability to report its results of operations and financial condition accurately and in a timely manner.
- The consummation of the Business Combination is subject to a number of conditions and if those conditions are not satisfied or waived, the Merger Agreement may be terminated in accordance with its terms and the Business Combination may not be completed.
- The Merger Agreement includes the Minimum Cash Condition as a condition to the consummation of the Business Combination, which may make it more difficult for the Business Combination to be consummated as contemplated.
- Arrowroot may waive one or more of the conditions to the Business Combination.

- The exercise of Arrowroot's directors' and officers' discretion in agreeing to changes or permitted waivers in the terms of the Business Combination may result in a conflict of interest when determining whether such changes to the terms of the Business Combination or waivers of conditions are appropriate and in the best interests of Arrowroot stockholders.
- Arrowroot's ability to successfully effect the Business Combination and New iLearningEngines' ability to successfully operate the business thereafter will be largely dependent upon the efforts of certain key personnel of iLearningEngines, all of whom Arrowroot expects to stay with New iLearningEngines following the Closing. The loss of such key personnel could negatively impact the operations and financial results of the combined business.
- Public Stockholders will not have any rights or interests in funds from the Trust Account, except under certain limited circumstances. To liquidate their investment, therefore, Public Stockholders may be forced to sell their Public Shares or Public Warrants, potentially at a loss.
- Arrowroot may not have sufficient funds to satisfy indemnification claims of its directors and executive officers.
- If, after Arrowroot distributes the proceeds in the Trust Account to the Public Stockholders, it files a bankruptcy petition or an involuntary bankruptcy petition is filed against Arrowroot that is not dismissed, a bankruptcy court may seek to recover such proceeds, and Arrowroot and the Arrowroot Board may be exposed to claims of punitive damages.
- If, before distributing the proceeds in the Trust Account to the Public Stockholders, Arrowroot files a bankruptcy petition or an involuntary bankruptcy petition is filed against Arrowroot that is not dismissed, the claims of creditors in such proceeding may have priority over the claims of Arrowroot's stockholders and the per-share amount that would otherwise be received by Arrowroot's stockholders in connection with Arrowroot's liquidation may be reduced.
- Arrowroot's Sponsor, officers and directors have potential conflicts of interest in recommending that stockholders vote in favor of approval of the Business Combination Proposal and approval of the other proposals described in this proxy statement/prospectus.
- Arrowroot may not be able to complete the Debt Financing or Convertible Note Investment in connection with the Business Combination.
- Arrowroot may amend the terms of the Public Warrants in a manner that may be adverse to holders of Public Warrants with the approval by the holders of at least a majority of the then outstanding Public Warrants. As a result, the exercise price of the Public Warrants could be increased, the exercise period could be shortened and the number of shares of Arrowroot Class A Common Stock purchasable upon exercise of a Public Warrant could be decreased, all without your approval.
- Arrowroot may redeem your unexpired Arrowroot Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your Arrowroot Warrants worthless.
- Following the Business Combination, a significant portion of New iLearningEngines' total outstanding shares will be restricted from immediate resale, but may be sold into the market shortly thereafter. This could cause the market price of New iLearningEngines Common Stock to drop significantly, even if New iLearningEngines' business is doing well.
- The Existing Charter and the Proposed Charter require, to the fullest extent permitted by law, that derivative actions brought in Arrowroot's or New iLearningEngines' name, as applicable, against their respective directors, officers, other employees or stockholders for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware, which may have the effect of discouraging lawsuits against Arrowroot's or New iLearningEngines' directors, officers, other employees or stockholders, as applicable.
- If, following the Business Combination, securities or industry analysts do not publish or cease publishing research or reports about New iLearningEngines, its business, or its market, or if they change their recommendations regarding New iLearningEngines' securities adversely, the price and trading volume of New iLearningEngines' securities could decline.
- Changes to laws or regulations or in how such laws or regulations are interpreted or applied, or a failure to comply with any laws, regulations, interpretations or applications, may adversely affect Arrowroot's business, including Arrowroot's ability to negotiate and complete its initial business combination, including the Business Combination.
- To mitigate the risk that Arrowroot might be deemed to be an investment company for purposes of the Investment Company Act, Arrowroot instructed the trustee to liquidate the investments held in the Trust Account and instead to hold the funds in the Trust Account in cash until the earlier of the consummation of its initial business combination or its liquidation. As a result, Arrowroot will likely receive minimal interest, if any, on the funds held in the Trust Account, which would reduce the dollar amount Public Stockholders would receive upon any redemption or liquidation of Arrowroot.

Risks Related to Redemptions

- If a stockholder fails to receive notice of Arrowroot's offer to redeem the Public Shares in connection with the Business Combination, or fails to comply with the procedures for tendering its shares, such shares may not be redeemed.
- Arrowroot does not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for Arrowroot to complete the Business Combination with which a substantial majority of Arrowroot's stockholders do not agree.
- If Arrowroot is unable to consummate its initial business combination, Public Stockholders may be forced to wait until after the Extension Deadline before redemption from the Trust Account.
- If a stockholder or a "group" of stockholders are deemed to hold in excess of 15% of the issued and outstanding shares of Arrowroot Class A Common Stock, such stockholder or group will lose the ability to redeem all such shares in excess of 15% of the issued and outstanding shares of Arrowroot Class A Common Stock.
- If third parties bring claims against Arrowroot, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than \$10.00 per share.
- Arrowroot's directors may decide not to enforce the indemnification obligations of the Sponsor, resulting in a reduction in the amount of funds in the Trust Account available for distribution to the Public Stockholders.
- Arrowroot stockholders may be held liable for claims by third parties against Arrowroot to the extent of distributions received by them upon redemption of their shares.
- There is no guarantee that a stockholder's decision whether to redeem their shares of Arrowroot Class A Common Stock for a pro rata portion of the Trust Account will put the stockholder in a better future economic position.
- A 1% U.S. federal excise tax may be imposed on Arrowroot in connection with Arrowroot's redemptions of its shares in connection with redemptions pursuant to the Business Combination.