

iLearning Engines

iLearningEngines Reports Fourth Quarter and Full Year 2023 Results
April 22, 2024



Fourth quarter revenue grew 39% year-over-year to \$116 million

Posts record full year revenue of \$421 million, up 36% year-over-year, and ARR growth accelerates to 43% year-over-year

BETHESDA, Md., April 22, 2024 (GLOBE NEWSWIRE) – iLearningEngines, Inc. (NASDAQ: AILE) (“iLearningEngines”, “iLE”, or “the Company”), a leader in AI-powered learning automation and information intelligence for corporate and educational use, today announced financial results for the fourth quarter and fiscal year ended December 31, 2023.

“The fourth quarter capped off a strong 2023,” said Harish Chidambaram, Chief Executive Officer of iLearningEngines. “During 2023, we expanded our core markets, grew end customers and licensed users, achieved 36% revenue growth year-over-year, and reached \$447 million of annual recurring revenue. We are pleased to be carrying this business momentum into the first half of 2024.”

Key Fourth Quarter & Full Year 2023 Financial Highlights

- **Revenue** – fourth quarter 2023 revenue of \$116 million increased 39% year-over-year. Full year 2023 revenue of \$421 million increased 36% year-over-year.
- **Annual Recurring Revenue (“ARR”)**¹ – ARR of \$447 million increased 43% year-over-year.
- **Net Dollar Retention (“NDR”)**¹ – NDR of 125% in 2023 increased compared to 117% in 2022.
- **Net Loss** – Fourth quarter GAAP net loss of \$4 million. Full year 2023 GAAP net loss of \$4 million.
- **Adjusted EBITDA & Adjusted EBITDA Margin**² – Fourth quarter 2023 adjusted EBITDA of \$10 million, and full year 2023 adjusted EBITDA of \$23 million. Adjusted EBITDA margin expanded by 240 basis points in Q4 2023 compared to Q4 2022, and 85 basis points in full year 2023 compared to full year 2022.

¹ For additional information regarding ARR and NDR, please see the section titled “Certain Definitions” at the end of this press release.

² Adjusted EBITDA and Adjusted EBITDA margin are a non-GAAP financial measures. For descriptions and reconciliations of our non-GAAP financial measures to their most comparable GAAP financial measures, please see the section titled “Non-GAAP Financial Measures” and the tables at the end of this press release.

• Financial Summary & Operating Metrics (In millions) - Fourth Quarter 2023

Metric	Q4 2023	Q4 2022	Δ Y/Y
Revenue	116	83	39%
ARR	447	314	43%
Gross profit	80	58	38%
Net (loss) income	(4)	8	NM
Adjusted EBITDA	10	3	NM
Adjusted EBITDA Margin	8.6%	3.5%	NM

• Financial Summary & Operating Metrics (In millions) - Full Year 2023

Metric	FY 2023	FY 2022	Δ Y/Y
Revenue	421	309	36%
ARR	447	314	43%
Gross profit	280	215	34%
Net (loss) income	(4)	11	NM
Adjusted EBITDA	23	13	NM
Adjusted EBITDA Margin	5.8%	4.1%	NM

Recent Business Highlights

- Strong customer and partner growth includes adding three new value-added resellers (“VARs”) in 2023, bringing total Contracted Customers to 29.
- Reached more than 4.4 million licensed users at the end of 2023.
- On April 16, 2024, successfully completed a business combination (the “Business Combination”) transaction with Arrowroot Acquisition Corp. (“Arrowroot”) and began trading as a public company under the ticker “AILE” on April 17, 2024.
- Appointed Matthew Barger, Ian Davis, Bruce Mehlman, Michael Moe, and Tom Olivier to its Board of Directors.
- Finished 2023 with 508 employees globally, including 98 full-time employees and 410 contractors.

³ Our differentiated AI solutions enable customers to productize their institutional knowledge and drive mission-critical business outcomes,” continued Chidambaram. “In 2024, we intend to continue to invest heavily in R&D, including our industry-specific datasets, while we also execute our sales strategy to drive value for new and existing customers.”

The Company intends to host a conference call in May 2024 to discuss first quarter 2024 financial results.

About iLearningEngines

iLearningEngines is a leading provider of cloud-based, AI driven, learning and workforce automation solutions mission-critical training for enterprises. iLearningEngines has consistently ranked as one of the fastest growing companies in North America on the Deloitte Technology Fast 500. iLearningEngines’ AI and Learning Automation platform is used by enterprises to productize their enterprise knowledge for consumption throughout the enterprise. The intense demand for scalable outcome-based training has led to deployments in some of the most regulated and detail-oriented vertical markets, including Healthcare, Education, Insurance, Retail, Oil & Gas/ Energy, Manufacturing and Government. iLearningEngines was founded by Harish Chidambaram in 2010, and is headquartered in Bethesda, MD with international offices in Dubai, UAE and Trivandrum, Pune and Kochi, India. For more information about iLearningEngines, please visit: www.iLearningEngines.com.

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Share-based compensation expense	-	-	39
Transaction costs ³	4,290	709	199
Change in fair value of warrant liability	771	(248)	93
Change in fair value of convertible notes	14,147	-	-
Adjusted EBITDA	23,398	12,664	7,864
Adjusted EBITDA Margin	3.6%	4.1%	3.6%

³ Represents legal, tax, accounting, consulting, and other professional fees related to the merger with Arrowroot and previously explored strategic alternatives, all of which are non-recurring in nature.