

iLearningEngines, Inc

Recommendation of fair value of the
Convertible Notes as of 31 March 2024

Reliance Restricted

6 May 2024



Ernst & Young LLP
Strategy and Transactions
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Reliance Restricted

Mr. Farhan Naqvi
Chief Financial Officer
iLearningEngines, Inc.
San Francisco, California
United States

6 May 2024

Recommendation of fair value of the Convertible Notes issued by
iLearningEngines, Inc.

In accordance with our master service agreement dated 23 April 2024 and our Statement of Work dated 3 May 2024, Ernst & Young LLP (EY) is pleased to present the following executive summary covering the recommendation of fair value of the Convertible Notes issued by iLearningEngines, Inc. (iLearningEngines or the Company) as of 31 March 2024 (the Valuation Date).

We understand that the Company may rely on our analysis for financial reporting purposes. Our work was performed giving consideration to applicable professional guidance and accounting standards Accounting Standards Codification 820 (ASC 820), Fair Value Measurement. Fair value is defined in ASC 820 as:

"...the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The scope of our analysis included development of specific estimates of the assumptions, selecting and implementing appropriate valuation methodologies in the analysis and preparing the following Report summarizing our recommendation of fair value, along with the data and significant assumptions on which these fair values were based.

In accordance with our Statement of Work, our analysis is subject to the limiting conditions and appraisal certification contained in the following Report.

We appreciate the opportunity to provide EY's valuation services to iLearningEngines. Please do not hesitate to contact Drew A. Banach at drew.banach@ey.com if you have any questions about this engagement or if we may be of any further assistance.

Yours sincerely,

DRAFT

Governing Items

Certifications

Convertible Notes valuation

The undersigned hereby certify that the members of our engagement team have no direct or indirect financial interest in the property that is the subject of this assignment, nor do they have any direct or indirect personal interest with respect to the property or parties involved in the assignment. Certain of the undersigned individuals have personally interviewed management of iLearningEngines. Neither our employment nor our compensation in connection with the Report is in any way contingent on the recommendations reached or values estimated, and the Report sets forth all of the assumptions and limiting conditions affecting the analysis, values and recommendations contained herein. The Report is intended to have been prepared in conformity with, and is subject to, the requirements of the Principles of Appraisal Practice and Code of Ethics of the Business Valuation Standards of the American Society of Appraisers (ASA); USPAP as set forth by the Appraisal Standards Board (ASB) of the Appraisal Foundation; and the Code of Ethics and Standards of Professional Conduct of the CFA Institute. This certification also serves as a "Representation of the Valuation Analyst" in accordance with Statement on Standards for Valuation Services No. 1, as issued by the AICPA. All Senior Members, Fellows and Life Members of the ASA who have participated in the preparation of the Report are either in compliance with the mandatory recertification requirements of the ASA or are exempt from those requirements. The undersigned may have performed services within the 3-year period immediately preceding the acceptance of this assignment, as an appraiser or in other capacities, regarding the property that is the subject of this Report or to the parties involved with this assignment. No person other than the undersigned or those acknowledged herein prepared the analysis, values or recommendations set forth in the Report; and, to the best of our knowledge and belief, the statements of fact contained in the Report are true and correct.

Main Appraiser

DRAFT

Stella Liu, CFA, FRM
Senior Manager

Executive Appraiser

DRAFT

Drew A. Banach
Managing Director

Review Appraiser

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Kris E. Shirley
Principal

Contributing appraiser: Noah C. Bream, Senior Associate
Carina Hao, Associate

Statement of Limiting Conditions

1. Nothing has come to EY's attention to cause EY to conclude that the facts and data set forth in this Report are not correct.
2. No investigation of the title to the subject company and subject assets has been made, and the owner's claim to the subject company and subject assets is assumed to be valid. To the extent that Ernst & Young LLP's services include any analysis of assets, properties or business interests, Ernst & Young LLP assumes no responsibility for matters of legal description or title, and Ernst & Young LLP shall be entitled to make the following assumptions: (i) title is good and marketable, (ii) there exist no liens or encumbrances, (iii) there is full compliance with all applicable regulations and laws, and (iv) all required licenses, certificates of occupancy, consents, or legislative or administrative authority have been or can be obtained or renewed for any use on which Ernst & Young LLP services are to be based.

Where real estate is included in EY's analysis, Ernst & Young LLP shall not assume any responsibility for identifying structural conditions of property. No analysis will be made of the subsurface or the hazardous waste conditions, if any. EY's services shall not take into consideration the possibility of the existence of toxic substances, hazardous or contaminated conditions, or underground storage tanks, nor the costs associated with remediating such substances or conditions. Ernst & Young LLP is not qualified to detect, and shall not be responsible for detecting, such substance or conditions.

3. This Report has been prepared solely for the purpose stated, and may not be used for any other purpose. Neither this Report nor any portions hereof may be copied or disseminated through advertising, public relations, news, sales, Securities and Exchange Commission disclosure documents or any other public (or private) media without the express prior written approval of Ernst & Young LLP.
4. The recommendations, opinions, or calculations of values contained herein are not intended to represent the values of the subject company, assets, or interests at any time other than the effective date that is specifically stated in this Report. Changes in market conditions could result in values substantially different than those presented at the stated effective date. EY assumes no responsibility for changes in market conditions or for the inability of the owner to locate a purchaser of the subject company, assets or interests at the values stated herein.

With respect to EY's analysis, EY's work did not include an analysis of the potential impact of any unexpected sharp rise or decline in local or general financial market or economic conditions or technological changes.

5. No responsibility is assumed for information furnished by others, including management, and such information is concluded to be reliable.

In the course of EY's analysis, EY was provided with written information, oral information, and/or data in electronic form, related to the structure, operation, and financial performance of the subject company / assets / interests. EY has relied upon this information in EY's analyses and in the preparation of this Report and have not independently verified its accuracy or completeness.

6. Certain historical financial data used in EY's valuation were derived from audited and/or unaudited financial statements and are the responsibility of management. The financial statements may include disclosures required by generally accepted accounting principles. EY has not independently verified the accuracy or completeness of this data provided and do not express an opinion or offer any form of assurance regarding its accuracy or completeness.
7. The estimates of cash flow data included herein are solely for use in the valuation analysis and are not intended for use as forecasts or projections of future operations. EY has not performed an examination or compilation, nor has EY performed an agreed-upon procedures engagement with regard to the accompanying cash flow data in accordance with standards prescribed by the American Institute of Certified Public Accountants, and, accordingly, do not express an opinion or offer any form of assurance on the accompanying cash flow data or their underlying assumptions. Furthermore, there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and those differences may be significant.
8. EY assumes no responsibility for any financial and tax reporting judgments, which are appropriately those of management. It is EY's understanding that management accepts responsibility for any financial statement and tax reporting issues with respect to the subject company / assets / interests covered by EY's analysis, and for the ultimate use of EY's Report.
9. Ernst & Young LLP is not required to furnish additional work or services, or to give testimony, or be in attendance in court with reference to the company / assets, interests in question or to update any Report, recommendation, opinion, calculation, analysis, conclusion or other document relating to its services for any events or circumstances unless arrangements acceptable to Ernst & Young LLP have been separately agreed with the Company.
10. This Report does not comprise a Comprehensive Written Business Valuation Report as described in BVS-VIII, by the Business Valuation Committee of the American Society of Appraisers (ASA) and approved by the ASA Board of Governors. Certain sections may have been omitted from this Report. Where applicable, the data underlying these sections will be retained in EY's working papers.

Disclosure of the contents of this Report may be governed by the Bylaws and Regulations of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. Possession of this Report or a copy thereof, or any part thereof, does not carry with it the right of publication, nor may it be used by anyone but the party for whom it has been prepared without the prior written consent and approval of Ernst & Young LLP.

Exhibits

iLearningEngines, Inc.

Exhibit A.1

Convertible Notes issued by iLearningEngines, Inc.

As of 31 March 2024

Summary of Values

(USD)

Summary of Values (a)

Valuation Date	Outstanding Principal	Calculated Fair Value (b)	Calculated Fair Value (as % of Outstanding Principal)
Tranche I			
31-Mar-2024	\$17,400,000	\$35,936,222	206.5%
Tranche II			
31-Mar-2024	\$700,000	\$1,776,150	253.7%

Notes:

- (a) On 27-Apr-2023, iLearningEngines, Inc. (iLearningEngines or the Company) issued \$6 million subordinated unsecured convertible promissory notes (the Convertible Notes) to Arrowroot Capital IV, L.P. (Arrowroot) and Polar Multi-strategy Master Fund (Polar). Management indicated that the issuance was deemed a well negotiated, arms-length transaction. The Company subsequently draw additional tranches in June, August, October and December. On 21-Mar-2024, the Company issued \$0.7 million Tranche II Convertible Notes with a Make-Whole Provision. Please see Exhibit A.2 for a summary of key terms of the Convertible Notes.
- (b) We utilized a scenario-based approach considering the possible scenarios / events as provided by Management, the conversion feature and the payoffs of the Conversion Notes within each scenario. Please see Exhibit B.1 and Exhibit B.2 for details.

Some numbers may not add due to rounding.

Draft document. All data subject to change upon completion of additional analysis.

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iLearningEngines, Inc.

Exhibit A.2

Convertible Notes issued by iLearningEngines, Inc.

As of 31 March 2024

Summary of Key Terms

(USD)

Key Term of the Convertible Notes (a)	
Outstanding Principal as of 27-Apr-2023	\$6,000,000
Outstanding Principal as of 31-Mar-2024 (b)	Tranche I: \$17,400,000 Tranche II: \$700,000
Maximum Principal Draw Amount	Tranche I: \$50,000,000 Tranche II: \$4,000,000
Number of Convertible Shares	Variable
Maturity Date	Tranche I: 27-Oct-2025 Tranche II: 21-Sep-2026
Interest Rate	15.0% cash or paid-in-kind (PIK) until aggregate accrued interest is greater than 25% of the principal amount, and 8.0% thereafter
Day Convention	Actual / 365
Seniority	Subordinated unsecured
Note Balance	The (i) outstanding principal balance * 2.75, plus (ii) any unpaid accrued interest
Conversion Feature	The Convertible Notes shall be automatically or voluntarily converted upon the following events: - Upon a Qualified de-SPAC Transaction, the Convertible Notes shall automatically convert into shares of common stock of the Company thereby entitling the Holder to receive a number of SPAC Shares equal to the Note Balance divided by \$10.00. - Upon an Equity Financing event, the Holder has the option to convert the Convertible Notes into the number of shares of Equity Securities issued in such Equity Financing event equal to the Note Balance divided by the Equity Price in such Equity Financing, or keep the Convertible Notes outstanding.
Prepayment Feature	The Company may prepay the Convertible Notes at any time prior to the Maturity Date without the consent of the Holders for an amount equal to the Note Balance. Upon a Liquidation Event, the Company shall redeem the Convertible Notes for an amount of cash equal to the Note Balance.
Make-Whole Provision (Tranche II only)	Upon a Qualified de-SPAC Transaction, if the Volume Weighted Average Price (VWAP) over the ten trading days immediately preceding 30 November 2024 (the Reference Price) is below the \$10.00, then the Company shall issue each Lender a Make-Whole payment of additional incentive shares, equal to \$10.00 divided by the Reference Price, minus 1. The Make-Whole payment in aggregate shall not exceed 10 million shares.

Notes:

(a) Per the information provided by Management and contractual agreements.

(b) We understand that the Company subsequently issued additional Tranche I Convertible Notes of \$3,900,000 on 15-Jun-2023, \$1,000,000 on 30-Aug-2023, \$1,100,000 on 1-Oct-2023, \$750,000 on 2-Oct-2023, \$3,000,000 on 26-Oct-2023, \$900,000 on 1-Dec-2023, and \$750,000 on 20-Dec-2023. The Company issued Tranche II Convertible Notes of \$700,000 on 21-Mar-2024.

Some numbers may not add due to rounding.

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iLearningEngines, Inc.**Exhibit B.1****Convertible Notes issued by iLearningEngines, Inc.****As of 31 March 2024****Tranche I Convertible Notes Analysis as of 31 March 2024****(USD)**

Scenario (a)	De-SPAC Transaction	Hold-to-Maturity
Expected Event Date (a)	15-Apr-2024	27-Oct-2025
Time to Event Date (years)	0.04	1.58
Expected Probability (a)	95.0%	5.0%
Accrued Interest at Expected Event Date (b)	\$1,903,705	\$5,180,981
Applicable Note Balance Plus Accrued Interest (b)	\$49,753,705	\$53,030,981
Contractual Conversion Price (b)	\$10.00	n/a
Number of Convertible Shares	4,975,371	n/a
Common Stock Value (per share) (c)	\$8.20	n/a
Calculated Convertible Notes Value at Event Date	\$40,779,826	\$53,030,981
Discount Spread (e)	574.2%	574.2%
Risk-free Rate (f)	5.6%	4.8%
Discount Yield	579.8%	579.0%
Present Value Factor	0.92	0.05
Calculated Fair Value of Convertible Notes	\$37,691,066	\$2,594,178
Calculated Fair Value of Convertible Notes (as % of par)	216.6%	14.9%

Key Assumptions (b)	
Initial Issuance Date	27-Apr-2023
Additional Issuance Dates	See Exhibit A.2
Maturity Date	27-Oct-2025
Outstanding Principal Amount (a)	\$17,400,000
Initial Interest Rate	15.0%
Interest Rate Step-Down	8.0%

Discount Rate Analysis	
Implied Credit Spread as of 27 April 2023 (d)	574.2%
Selected Spread (e)	574.2%

Probability-weighted
\$35,936,222
206.5%

Notes:

- (a) Provided by Management. Management confirmed the Convertible Notes are expected to convert upon an Equity Financing event.
- (b) Based on the Convertible Notes agreement. We included the additional principal and accrued interest from the additional Convertible Notes issuance.
- (c) We relied on the \$8.18 non-marketable common stock value from the Company's Warrant valuation analysis as of 31-Mar-2024. Additionally, we grew such non-marketable common stock value at the term-matched risk-free rate to calculate the common stock price as of the de-SPAC Transaction Event Date.
- (d) Implied credit spread calibration to the initial issuance price as of 27-Apr-2023. Please see the Company's Convertible Notes valuation as of 27-April-2023 for details.
- (e) We observed the credit spread is lower by less than 400 bps, but given the instrument specific risks are similar and no credit deterioration of the Company, we kept the credit spread consistent with the implied spread as of the Initial Issuance Date.
- (f) Based on the interpolated risk-free rate commensurate with the respective term in each scenario. Please refer to Exhibit D for details.

Some numbers may not add due to rounding.

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Convertible Notes issued by iLearningEngines, Inc.

As of 31 March 2024

Tranche II Convertible Notes Analysis as of 31 March 2024

(USD)

Scenario (a)	De-SPAC Transaction	Hold-to-Maturity	Key Assumptions (b)
Expected Event Date (a)	15-Apr-2024	21-Sep-2026	Initial Issuance Date 21-Mar-2024
Time to Event Date (years)	0.04	2.48	Maturity Date 21-Sep-2026
Expected Probability (a)	95.0%	5.0%	Outstanding Principal Amount (a) \$700,000
Accrued Interest at Expected Event Date (b)	\$7,192	\$221,897	Initial Interest Rate 15.0%
			Interest Rate Step-Down 8.0%
Applicable Note Balance Plus Accrued Interest (b)	\$1,932,192	\$2,146,897	
Contractual Conversion Price (b)	\$10.00	n/a	
Number of Convertible Shares	193,219	n/a	
Common Stock Value (per share) (c)	\$8.20	n/a	
Calculated Debt Value at Event Date	\$1,583,690	\$2,146,897	
Discount Spread (e)	574.2%	574.2%	
Risk-free Rate (f)	5.6%	4.6%	
Discount Yield	579.8%	578.8%	
Present Value Factor	0.92	0.01	
Present Value of Debt Value at Event Date	\$1,463,738	\$18,702	
Make-whole payment (g)			
SPAC Common Stock Value as of 31-Mar-2024 (c)	\$8.18		
Term to 30-Nov-2024 (years)	0.67		
Volatility (h)	60.0%		
Risk-free Rate (f)	5.20%		
Credit spread (i)	27.90%		
Make-Whole value, per Convertible Share (j)	\$2.10		
Number of Convertible Shares	193,219		
Calculated Fair Value of Make-Whole Provision	\$404,910		
Calculated Fair Value of Convertible Notes	\$1,868,647	\$18,702	
Calculated Fair Value of Convertible Notes (as % of par)	266.9%	2.7%	
			Probability-weighted
			\$1,776,150
			253.7%

Notes:

- (a) Provided by Management. Management confirmed the Convertible Notes are expected to convert upon an Equity Financing event.
- (b) Based on the Convertible Notes agreement. We included the additional principal and accrued interest from the additional Convertible Notes issuance.
- (c) We relied on the \$8.18 non-marketable common stock value from the Company's Warrant valuation analysis as of 31-Mar-2024. Additionally, we grew such non-marketable common stock value at the term-matched risk-free rate to calculate the common stock price as of the de-SPAC Transaction Event Date.
- (d) Implied credit spread calibration to the initial issuance price as of 27-Apr-2023. Please see the Company's Convertible Notes valuation as of 27-Apr-2023 for details.
- (e) We observed the credit spread is lower by less than 400 bps, but given the instrument specific risks are similar and no credit deterioration of the Company, we kept the credit spread consistent with the implied spread as of the Initial Issuance Date.
- (f) Based on the interpolated risk-free rate commensurate with the respective term in each scenario. Please refer to Exhibit D for details.
- (g) Tranche II Convertible Notes are subject to a Make-whole payment. Please see Exhibit A.2 for details.
- (h) Please see Exhibit C for details.
- (i) We relied on the 29.7% credit spread from the Company's Term Loan valuation analysis as of 31-Mar-2024.
- (j) Please see Exhibit B.3 for Sample Paths.

Some numbers may not add due to rounding.

Draft document. All data subject to change upon completion of additional analysis.

iLearningEngines, Inc.

Exhibit B.3

Convertible Notes issued by iLearningEngines, Inc.

As of 31 March 2024

Tranche II Convertible Notes Analysis - Make-Whole Provision Sample Paths

(USD)

Sample Paths (a)	Simulated 10-day VWAP preceding 30-Nov-2024	Simulated Stock Price as of 30-Nov-2024	If Make-Whole Provision is triggered?	Contractual Conversion Price (b)	Make-Whole Payment shares, per convertible share (c)	Payoff of Make-Whole Provision as of 30-Nov-2024, per convertible share (d)	Discount rate (e)	Present value of Make-Whole Provision, per convertible share
1	\$10.67	\$10.47	N	\$10.00	0.00	\$0.00	33.1%	\$0.00
2	\$3.10	\$2.72	Y	\$10.00	2.23	\$6.05	33.1%	\$4.85
3	\$8.82	\$9.18	Y	\$10.00	0.13	\$1.23	33.1%	\$0.99
4	\$11.02	\$11.00	N	\$10.00	0.00	\$0.00	33.1%	\$0.00
5	\$7.81	\$8.94	Y	\$10.00	0.28	\$2.51	33.1%	\$2.01
6	\$17.83	\$18.22	N	\$10.00	0.00	\$0.00	33.1%	\$0.00
7	\$1.87	\$2.01	Y	\$10.00	4.34	\$8.73	33.1%	\$7.00
8	\$17.94	\$15.89	N	\$10.00	0.00	\$0.00	33.1%	\$0.00
9	\$4.28	\$4.12	Y	\$10.00	1.34	\$5.51	33.1%	\$4.42
10	\$5.36	\$5.78	Y	\$10.00	0.87	\$5.00	33.1%	\$4.01
...
999,991	\$15.03	\$14.60	N	\$10.00	0.00	\$0.00	33.1%	\$0.00
999,992	\$4.38	\$4.15	Y	\$10.00	1.28	\$5.32	33.1%	\$4.27
999,993	\$9.86	\$9.98	Y	\$10.00	0.01	\$0.14	33.1%	\$0.11
999,994	\$7.18	\$7.91	Y	\$10.00	0.39	\$3.10	33.1%	\$2.49
999,995	\$12.25	\$11.60	N	\$10.00	0.00	\$0.00	33.1%	\$0.00
999,996	\$11.18	\$12.10	N	\$10.00	0.00	\$0.00	33.1%	\$0.00
999,997	\$9.14	\$9.35	Y	\$10.00	0.09	\$0.88	33.1%	\$0.70
999,998	\$6.56	\$6.11	Y	\$10.00	0.52	\$3.20	33.1%	\$2.57
999,999	\$9.93	\$11.48	Y	\$10.00	0.01	\$0.08	33.1%	\$0.06
1,000,000	\$5.31	\$5.11	Y	\$10.00	0.88	\$4.51	33.1%	\$3.61
Calculated Fair Value of Make-Whole Provision								\$2.10
Number of Convertible Shares								193,219
Calculated Fair Value of Make-Whole Provision								404,910

Notes:

- Based on Monte-Carlo simulation of 1,000,000 paths using the \$8.18 non-marketable common stock value from the Company's Warrant valuation analysis as of 31-Mar-2024 as the start stock price. See Exhibit B.2 for simulation input details.
- Based on the Convertible Notes agreement.
- Based on the Convertible Notes Agreement, upon a Qualified de-SPAC Transaction, if the Volume Weighted Average Price (VWAP) over the ten trading days immediately preceding 30 November 2024 (the Reference Price) is below the Contractual Conversion Price, then the Company shall issue each Lender a Make-Whole payment of additional incentive shares, equal to the Contractual Conversion Price divided by the Reference Price, minus 1.
- Calculated as the Simulated Stock Price as of 30-Nov-2024 multiplied by the Make-Whole Payment shares, per convertible share.
- Calculated as the sum of the Company's credit spread and the term-matched risk free rate as of the Valuation Date. We relied on the credit spread of 27.9% from the Company's Term Loan analysis as of 31-Mar-2024.

Some numbers may not add due to rounding.

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iLearningEngines, Inc.

Exhibit C

Convertible Notes issued by iLearningEngines, Inc.

As of 31 March 2024

Volatility calculation

(USD)

Company	Ticker	Frequency	Lookback Period (a)	Total		Total Invested Capital (TIC)	Annualized Historical Equity Volatility (d)	Asset Volatility (f)
				Equity (b)	Debt (c)			
2U, Inc.	NasdaqGS:TWOU	Daily	0.7	\$33	\$1,003	\$1,036	190.8%	17.5%
Asana, Inc.	NYSE:ASAN	Daily	0.7	\$3,482	\$278	\$3,760	62.2%	57.8%
Docebo Inc.	TSX:DCBO	Daily	0.7	\$1,484	\$2	\$1,486	42.4%	42.3%
Learning Technologies Group plc	AIM:LTG	Daily	0.7	\$853	\$207	\$1,060	37.6%	30.4%
Paycom Software, Inc.	NYSE:PAYC	Daily	0.7	\$11,374	\$0	\$11,374	71.2%	71.2%
Paylocity Holding Corporation	NasdaqGS:PCTY	Daily	0.7	\$9,681	\$59	\$9,740	39.9%	39.7%
ServiceNow, Inc.	NYSE:NOW	Daily	0.7	\$156,292	\$2,273	\$158,565	27.2%	26.8%
Upland Software, Inc.	NasdaqGM:UPLD	Daily	0.7	\$207	\$481	\$687	87.9%	28.6%
Workday, Inc.	NasdaqGS:WDAY	Daily	0.7	\$72,006	\$3,296	\$75,302	29.8%	28.6%
Min				\$33	\$0	\$687	27.2%	17.5%
1st Quartile				\$853	\$59	\$1,060	37.6%	28.6%
3rd Quartile				\$11,374	\$1,003	\$11,374	71.2%	42.3%
Max				\$156,292	\$3,296	\$158,565	190.8%	71.2%
Mean				\$28,379	\$844	\$29,223	65.4%	38.1%
Median				\$3,482	\$278	\$3,760	42.4%	30.4%

Relevered Volatility	Risk-free Rate	Term (years)	Total		Total Invested Capital (TIC)	Asset Volatility		Relevered Equity Volatility (i)
			Equity (f)	Debt (g)		Metric (h)	Selection	
iLearningEngines, Inc.	5.20%	0.7	\$1,226	\$101	\$1,327	Average of 3rd Quartile and Max	56.8%	61.3%

Selected Equity Volatility (rounded) (i) **60.0%**

Notes:

- (a) Uses longest available data for companies whose trading history is shorter than specified lookback.
- (b) Calculated using the market cap for common stock plus the book value of preferred stock.
- (c) Calculated using short-term debt, long-term debt, and the current portion of long-term debt.
- (d) Annualized historical volatility. Calculated in local currency using split and dividend adjusted closing stock prices.
- (e) Asset volatilities estimated by adjusting the observed equity volatilities for leverage, using the methodology described in the AICPA Accounting and Valuation Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation, paragraph 6.36(b).
- (f) We relied on the \$1,226 million equity value from the Company's Warrant valuation analysis as of 31-Mar-2024.
- (g) Based on information provided by Management.
- (h) We selected the average of the 3rd quartile and maximum asset volatility observed from the guideline public companies (the GPCs), considering the size of the Company relative to the GPCs.
- (i) Selected relevered equity volatility based on selected asset volatility of guideline companies, relevered to account for differences in leverage.

Some numbers may not add due to rounding.

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iLearningEngines, Inc.

Exhibit D

Convertible Notes issued by iLearningEngines, Inc.

As of 31 March 2024

Risk-free Rate

U.S. Constant Maturity Treasury Curves (a)

Tenor	Term (yrs)	31-Mar-2024	
		Yield (annual)	Yield (continuous)
1MO	0.08	5.57%	5.42%
3MO	0.25	5.53%	5.39%
6MO	0.5	5.45%	5.31%
1Y	1	5.09%	4.97%
2Y	2	4.64%	4.54%
3Y	3	4.45%	4.35%
5Y	5	4.25%	4.17%
7Y	7	4.24%	4.16%
10Y	10	4.24%	4.16%
20Y	20	4.50%	4.40%
30Y	30	4.39%	4.29%

Notes:

(a) Based on U.S. Treasury constant maturity securities. Source: Capital IQ, Inc.

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