

#### Stock Data

Share Price:	1.13p
Market Cap:	£2.43m
Shares in issue:	214.97m
52-week high/low:	18.00/0.97p

#### Company Profile

Sector:	Technology
Ticker:	ACT
Exchange:	AIM

#### Activities

Actual Experience plc ('Actual Experience', 'ACT' or 'the Group') provides a Digital Workplace Management Platform that for business leaders quantifies the impact that their digital workplace has on their people and productivity, while identifying where resource and investment must be focused to make improvements.

[www.actual-experience.com/](http://www.actual-experience.com/)

#### 5-year share price performance



Source: [LSE](https://www.lse.com/)

Past performance is not an indication of future performance.

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TPI is acts as joint broker to Actual Experience plc.

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## Actual Experience plc

**Actual Experience has released its preliminary results for the year ended 30 September 2022, in tandem with publication of its Annual Report and Accounts. While detailing financials very much in line with expectations set by the Group's 15 December 2022 Trading Update, the Board very positively notes advanced discussions and trials continue not only with a large UK central government department, but also with two other leading professional services firms as part of their exacting process of selecting a preferred supplier for Human Experience ('HX') software analytics. Reflecting the fact that large public and private institutions now recognise a longer-term need for a system that can positively respond to the new, mostly hybrid, ways of working in the post-pandemic world, formal conversion of one or more of these into an extended, high-margin contract(s) upon their scheduled spring/summer 2023 completions will clearly represent a landmark moment for the Group. It is also likely to raise ACT's profile amongst the universe of other operators urgently seeking similar solutions. In turn, this would not only provide significant endorsement of ACT's vision, but potentially also place it in the focus of the much broader sector of digital workplace experience companies that have been unable to successfully emulate its offering. Presently trading at well below net cash while retaining a runway that takes it into Q1 2024, the fact that ACT's scalable Digital Workplace Management Platform ('DWMP') portal has been so well received within its highly addressable global market suggests near-term opportunity for a significant rerating.**

### Financial highlights for the financial year to 30 September 2022

- Group revenue of £1.18m (2021: £1.74m)
- Loss for the year of £5.27m (2021: £5.85m)
- Net cash at year end of £2.87m (2021: £8.22m), (rising to £4.1m as of 31 December 2022 following completion of a £3.1m gross equity fundraise on 21 September 2022.)

### Current trading – Potential to deliver landmark contracts

ACT has confirmed it is in advanced discussions with a large UK central government department and that it expects this process to complete in spring 2023. It is also in a similar position with two leading professional services firms, the larger of which should also complete in spring 2023, while indications from the second, somewhat earlier-stage one should reach a similar point during summer 2023. While each project should be expected to include a bespoke front-end, ACT's SaaS solutions (incorporating software algorithms plus related data centres) are inherently scalable, providing opportunity to achieve recurring gross margins as high as 90% when high commercial volumes are achieved.

The primary focus of recent months has been to drive these engagements to the point of placing orders, while also continue to develop pipeline through identification of new sales leads both with partners (Verizon and Vodafone) and through the direct efforts of ACT's recently expanded sales team. The previously announced relationship with leading HR Consultancy LACE also

continues to progress, with a view to both nurturing opportunities within the HR community and developing joint marketing initiatives. As a strategic priority, ACT is also actively seeking new partner relationships with leading technology and consulting companies; several of these projects are well advanced and management expects to announce new additions in due course.

## **Group finances – On a stronger financial footing**

Revenue for the year to end-September 2022 was generated entirely from legacy sales engagements, with certain already announced contracts not being renewed. During the same period, cost reductions undertaken totalled approximately one third of outgoings (i.e., savings of c.£0.2m/month). This was achieved through a workforce reduction from 77 FTE to c.50 FTE presently, reducing burn while supporting a minimum effective operating structure with 'front end' additions. Along with other operational initiatives that will benefit the current financial year, the Group's cash burn and breakeven point have both been lowered. The equity Placing, Subscription and Broker Option completed on 21 October 2022 raised net proceeds of c.£2.8m, taking net cash on 31 December 2022 to £4.1m which, on current outgoings, provides a runway into Q1 2024.

## **New DWMP portal launch followed exceptionally positive feedback**

One of the most far-reaching changes to the international business environment of recent times is the widespread and semi-permanent adoption of employee hybrid working. Sometimes referred to as 'The Future of Work', this is presenting leadership teams with a once-in-a-generation opportunity to transform the digital environment for their employees. Having previously invested significantly in optimising their offices for employee digital experience, such enterprises now recognise the need to embrace these changes by prioritising the 'human experience' of their applications to ensure their employees can remain as productive as ever, irrespective of when or where they are located. This important, semi-permanent trend has already been recognised by leading commentators, including research, and consulting group [Forrester and Gartner](#), who suggest that 2023 will be the start of a period when organisations prioritise investment in technologies that improve the human experience of their digital infrastructure.

Powered by over 10 years of academic Human Experience research, ACT's Digital Workplace Management System satisfies exactly this requirement, requiring no interaction with employees to provide a unique and highly actionable dataset that People, Technology and Finance leaders can rely upon to plan impactful projects against their most critical agenda items including wellbeing, profitability, DE&I and ESG initiatives. By acting as a proven-to-be-accurate proxy for employees accessing an enterprise's major applications, it is able to determine which employees are experiencing poor digital performance and then identify the areas requiring improvement. Following its soft launch in May 2022, ACT's new DWMP portal, which harnesses unique HX insights, met with uniformly positive feedback. The upgraded interface/portal includes numerous additional facilities, including provision of rich information on the operational capabilities of the digital workplace, by user, department, and geography. Having been successfully deployed at scale with an existing customer in August 2022, the product went fully live in October 2022 to a high-quality existing sales pipeline of corporate majors. Recognising a widespread and relatively urgent need for such technology, it has been tailored specifically to appeal to large global enterprises with complex digital infrastructure and applications. More than a network performance tool, it provides continual and reliable data in a dashboard format to monitor employee wellbeing and signal where investments can be made to increase productivity.

Differentiating itself from sector competition which tend to use more elementary IT tools to simply extract hard performance/statistical data, ACT's 'next generation' technologies instead adopt a subjective approach to understand and analyse the hybrid worker's human experience. Instead of just reporting the detail, ACT instead translates a multitude of IT data points into quantified, prioritised actions to improve the digital workplace. Recognising also that duty of care/ESG always go hand-in-hand with improved operational efficiency in the digital workplace, the benefit of deploying ACT's optimised ecosystem alongside the customer's standard enterprise management software can be rapidly demonstrated in terms of return-on-investment ('ROI'). Very importantly,

ACT's DWMP was proven to work reliably at scale during the first large deployment undertaken in October 2022; now providing a wealth of actionable information regarding opportunities to derive digital workplace efficiencies to this customer, it continues to generate particularly positive customer feedback. Against this background, the Group appears to have successfully positioned itself in this new but rapidly evolving market to stake a leadership position in what almost certainly will become seen as one of the most significant enterprise technology development opportunities of recent years.

### **Proposed recruitment of Chief Executive Officer**

During 2022, ACT made a number of important changes to its leadership and governance. In particular, Kirsten English, stepped into the role of Executive Chair in March along with Roy Jugessur, who joined as Chief Revenue Officer to professionalise the Group's sales approach and kick start the Direct sales capability, whilst enhancing relationships with major channel partners. Meanwhile, the Group continues to work with an Executive Recruiter to evaluate external and internal candidates for the post of CEO. This process is close to completion and a further announcement is expected to be made in the coming months, until which time Steve Bennetts remains as Interim CEO (in addition to his CFO duties).

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