

#### Stock Data

Share Price:	1.15p
Market Cap:	£2.28m
Shares in issue:	215.78m
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 acts as joint broker to Actual Experience plc.

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## Actual Experience plc

Consistent with the message provided to shareholders in January's preliminary results statement, Actual Experience has today confirmed in conjunction with its partner Vodafone UK ('Vodafone'), the securing of a first contract for its newly launched Digital Workplace Management Platform ('DWMP'). Representing an important milestone for the Group, this two-year contract has been awarded by a UK central government department (the 'Department') following an extensive procurement process. Importantly, the Board has also confirmed its expectation that further sales orders will be announced in the coming months. Altogether this strongly reflects the fact that large public and private institutions now recognise the longer-term need for a system that can positively respond to the new, mostly hybrid, ways of working in the post-pandemic world. Such contract momentum will likely lift ACT's profile across a broad universe of potential customers urgently seeking the human experience ('HX') solutions it uniquely provides. This in turn would not only provide significant endorsement for its 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 fiscal Q1 2024, the fact that ACT's scalable portal is being so well received within its highly addressable global market suggests near-term opportunity for a significant rerating.

**(Risk warning: Future performance and forecasts are not a reliable indicator of future results.)**

### SaaS revenue stream secured

The Department has been a long-standing user of ACT's legacy offering and were transitioned to the new DWMP as part of the early commercial launch process. Recognising the added value, improved delivery and operational flexibility this introduces for the customer, contract renewal was secured. The value of this order has initially been set at a level similar to previous years, representing a SaaS revenue stream of approximately £230k/year. The Department has indicated that they will shortly permission the Group to provide further details regarding this project.

Under the terms of the contract, the DWMP will enable the Department to measure its employees' HX in an increasingly complex, hybrid working environment. It presents the results of these measurements in a timely and reliable dashboard format, highlighting areas where improvements can be made to increase productivity, as well as securing improvements to employee wellbeing. In this way the DWMP provides customers with the information they require to be able to manage and improve their digital workplace.

### Delivering on expectations set with its preliminary results

ACT delivered today's landmark Department contract on the schedule suggested in its January preliminary results statement. It noted at the same time that it was in advanced procurement stage negotiations with two leading professional services firms, the larger of which was expected to complete in spring 2023, while indications from the second, somewhat earlier

stage project should reach a similar point during summer 2023. While each project is expected to include a bespoke front-end, ACT's SaaS solutions (incorporating software algorithms housed in secure data centres) are inherently scalable, providing the Group with opportunity to achieve recurring gross margins as high as 90% when high commercial volumes are achieved.

While ensuring its DWMP performs in accordance with best expectations, the Board's other priority is on driving its continuing engagements to the point of their placing orders. It also continues 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. ACT is also actively seeking new partner relationships with leading technology and consulting companies; several of these initiatives are well advanced and management expects to announce new additions in due course.

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

During the Group's financial year to end-September 2022, its Board oversaw cost reductions totalling approximately one third of total 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 benefit the current financial year, the Group's cash burn and breakeven point have both been lowered. ACT's equity Placing, Subscription and Broker Option that was completed on 21 October 2022 raised net proceeds of c.£2.8m, taking net cash as of 31 December 2022 to £4.1m which, on current outgoings, provides a runway into fiscal 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 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 groups [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. 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 of digital applications, 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.

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