

#### Stock Data

Share Price:	1.20p
Market Cap:	£2.63m
Shares in issue:	218.79m
52-week high/low:	3.20/0.46p

#### 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 June's interim results statement Actual Experience, in conjunction with a large US channel partner, confirmed on Monday the securing of a second order for its Digital Workplace Management Platform ('DWMP') within 9 months of its commercial launch. The customer, an unnamed major global healthcare enterprise, selected ACT's newly offered DWMP Light option, through which it entered a shorter-term engagement as a means of baselining its current digital ecosystem ahead of a major transformation programme. The contract value amounts to £135k in revenue for a 6-month project although, in expectation of delivering a positive digital experience, management anticipate discussions during this period will subsequently result in the phased international deployment of its complete system. Given the customer's likely size, there appears to be the potential to generate annual recurring revenue streams that are multiples of the initial contract value. In addition to this, ACT this morning announced the signing of a Letter of Intent ('LOI') with Logicalis Group to seek its first customer for its new joint DWMP-based product offering. Presently trading close to last reported net cash while retaining a runway that takes it into fiscal Q1 2024, the fact that ACT's scalable and unique portal is being so well received within its highly addressable global market suggests opportunity for the rerating that now appears underway to be continued.

### DWMP Light - Designed to drive early sales

A tangible means by which to quantify the success of digital transformation programmes is key for prospective customers. Data-driven analytics that produce Human Experience ('HX') scores, as a route to building sustainable ecosystems within their organisations, while delivering good employee experiences and increasing efficiency of the digital workplace are now emerging as an accepted concept.

In order to break down such barriers and drive early sales, ACT has chosen to adapt its offering with the addition of its DWMP Light option. Very positively received by the Group's channel partners, it introduces elementary deployment with short-term engagement with the aim of easing customer transition while also reducing lengthy enterprise sales cycles. It delivers a range of key data-driven insights to the customer, while highlighting potential for further, ongoing value creation through adoption of the complete offering.

### Logicalis partnership expected to generate new contracts

Logicalis is one of three main operating divisions of Datatec Ltd. (JSE: DTC), a major technology and services group with annual revenues of US\$4.6bn, operating in over 50 countries and with more than 10,000 customers.

The joint offering leverages the DWMP Light option following ACT's development in response to market feedback. The core components of DWMP Light align ideally with the market in which Logicalis primarily operates and is proposed to be delivered through its award-winning Digital Fabric Platform ('DFP') that provides their managed services customers with a real-time

view of digital infrastructure across cloud, security, workplace, and connectivity. The DWMP Light option is expected to be integrated into the DFP, making it available as an add-on for all Logicalis' customers. Given that their strength is amongst upper mid-market and smaller scale customers, this is particularly attractive to ACT given that such enterprises typically make more rapid purchasing decisions than the larger companies focussed on to date. ACT expects this partnership, in time, to lead to a consistent flow of new contracts. There will be two standard use cases of the DWMP Light option within the DFP:

1. **Baseline Impact** – Quantifies the high-level business impact of a customer's digital ecosystem on both employee experience and business productivity, enabling CIOs to communicate more strategically with their C-Suite.
2. **Baseline Ecosystem** – Pinpoints specific internal and third-party components of the digital ecosystem that have the most significant impact on key business metrics such as productivity, employee experience and equality. With this offering, the CIO can better manage suppliers and/or form the business case for the improvement of their digital ecosystem.

## Rising interest in Digital Employee Experience ('DEX') products

Throughout the process of securing Monday's contract and negotiating today's LOI, there was clear acknowledgement of how ACT's SaaS analytics platform will create value by tracking the impact of the customer's ambitious digital transformation programme on employees, as well as quantifying its return-on-investment ('ROI') in terms of productivity. This highlights potential for the Group's disruptive technology to produce key actionable data for decision makers across IT, HR and Operations. With the value of this input becoming increasingly recognised, regular upticks in interest for its DEX products are being witnessed, specifically through the materialisation of 'request for proposal' processes, suggesting opportunity for demand to expand quite dramatically in this emergent market segment.

Underlying this is the fact that large public and private institutions now understand the longer-term need for a system that can positively respond to the new, mostly hybrid, ways of working in the post-pandemic environment. The winning of new contracts with large, multi-location enterprises, such as that reported yesterday, will result in the lifting of ACT's profile across a broad universe of prospective customers seeking the unique HX solutions it provides. Not only does this endorse the Group's overall 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.

## Revenue to be recognised over life of the contract

The contract announced on Monday will generate £135k in revenue for a 6-month baselining project. This amount will be deducted from the US\$200k pre-payment made by the US channel partner (which is largely thought to be Verizon, the American wireless operator) to the Group for its licenses (as announced on March 15 2021), but will be fully recognised as revenue over the life of the contract.

## Recognising a need to prioritise human experience in a digital environment

One of the most far-reaching changes to the international business environment of recent times has been the widespread adoption of employee hybrid working. Now accepted 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 staff 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 HX 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 all staff, HR, IT and finance managers 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 such unique 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 ROI. With its DWMP already providing a wealth of actionable information to the UK Department for Environment, Food and Rural Affairs ('Defra') through which digital workplace efficiencies are routinely being derived, particularly positive customer feedback continues to be received and reputation built.

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