

22 January 2018

ComOps Revision of Strategy

Sydney: ComOps Limited (ASX: COM) (**ComOps**) the Australian based provider of workforce management solutions, wishes to advise shareholders, customers and the market of a revision of its previously communicated strategy.

Current strategy

For the last 3 years we have pursued a primary growth strategy to capture a perceived opportunity in the global ports workforce market. That opportunity has proven to be much more complex and capital intensive than initially forecast. Whilst we believe there is still an opportunity for the ComOps WFM solution to assist global port operators, the differing labour requirements of each port operator has meant that Workforce Management Solutions can be quite bespoke. As a result, significant customisation is required for each installation and/or each group. This specific customisation of our products has created a significant drain on our development, operational and financial resources, resulting in an unsatisfactory impact on our core business, customers and profitability.

What we have decided

We have decided that we need to refocus our resources, capital and innovation back to our core business. That is, providing innovative and flexible workforce management solutions in the three core areas of:

- Retail, hospitality and education
- Transport and logistics
- Aviation and security

As a result, we have put on hold our ports growth strategy and will refocus our resources on growth in the key industries areas. Our industry specific solutions and expertise, will enable us to foster growth with our long-term customer base and position us well to acquire the market opportunities that are available in these segments.

It is our intention to accelerate our innovation for these industries to create the most flexible, easy to use and feature rich workforce management solution for our customers.

So what does that mean to our ports customers?

This revised strategy does not mean we are completely withdrawing from the ports industry, we are simply reducing our focus and investment in acquiring new bespoke customers in this industry. ComOps has a number of customers currently operating in the Ports industry both domestically and internationally. As our products are already working effectively for these customers we will continue to support and work with these organisations to enhance the performance and capability of our solutions. We will also seek opportunities in this industry with new customers whose requirements align to our current solutions.

As previously advised, as a result of a global tender process, APMT (the parent company of Port of Salalah), has decided to pursue other directions for its global workforce management, notwithstanding the successful installation of ComOps' Ports WFM solution at PoS. As a result, we have initiated, and come to agreement with Port of Salalah, to cease further development on their solution and bring to an end our commercial relationship on 30 April 2018.

Outlook for 2018

Excitingly, as a result of further investment in our core offerings, Q1 will see a significant update provided for our retail, hospitality and education customers, providing performance improvements and new features. We are also upgrading the underlying infrastructure for our cloud-based offerings providing better performance, security and redundancy for those customers.

From January, we will have additional resources bolstering our sales teams. These additional resources will enable us to better service existing customers and focus on new business acquisition creating additional revenue growth for the business.

Q2 will see the release of our latest version of the ComOps mobility app, providing improved mobile and remote access for our customers and their employees.

Additional resources have also been employed to fast track the feature enhancement and performance improvements in our transport and logistics products.

From a financial perspective, the business during H2 last year worked hard to reset its cost base for this year and will strive toward an EBITDA positive position throughout 2018.

Combined with a successful rights issue in December 2017 strengthening our balance sheet, we believe ComOps enters 2018 in the strongest position it has been in some time.

About ComOps

ComOps is an Australian company that provides innovative workforce management and optimisation solutions. Initially developed to simplify the highly complex labour force environments of Australian and New Zealand, today it provides these solutions to enterprises globally who are looking to simplify complex workforce environments and gain greater efficiency and transparency of their workforces. It specialises in interpreting Award Wages and Enterprise Bargaining Agreements and equivalent structures.

ComOps supports more than 250 customers in over 5800 locations globally and has a particular focus on the following industries:

- Retail, hospitality and education
- Transport and logistics, and
- Aviation and security

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