

## Coala Life reduces the company's total costs with around 30%

The company is initiating a cost-saving program that will reduce ongoing operating costs while linking sales resources to performance. The program will start immediately and will have an effect already in October 2023. Fully implemented in January 2024, Coala Life's total operating costs will be reduced by approximately 30 percent.

The background to the cost savings program is that sales growth has not met expectations and thus costs need to be adjusted, but also that the company's working capital, due to payment terms of almost three months, is increasingly tied up in accounts receivable. The factoring agreement that the Company entered in June 2023 has not yet had full effect, and together these factors creates strains on the company's liquidity.

The greatest effect will be achieved in the US operations, where fixed selling costs are halved through a shift towards performance-based compensation and external parties are involved to a greater extent. The latter has proven to work well and is therefore now being expanded. At the same time, efficiency improvements are being made in all functions, which leads to overall lower costs.

Through the established customer base, new clinics and external sales resources, growth is still expected to continue with between 5-10% monthly. A stricter process for the selection of clinics and patients is expected to lead to improved efficacy of the sales initiatives.

"It is not uncommon for companies in early growth to modify their cost and compensation models. We have an exciting growth journey in the rapidly growing market for Managed Remote Patient Monitoring in the US. The measures now being implemented will streamline our sales organization and will improve our financial situation without adversely affecting customer benefits. We will report in more detail on the cost savings program in our next quarterly report", says the Company's CEO Dan Pitulia.

## About us

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Coala-Life Group AB ("Coala Life" or the "Company") founded in 2015, is a Cloud Based Software as a Service provider, and medical device developer and reseller, listed on Nasdaq First North Growth Market. The Company focuses on B2B solutions for managed Remote Patient Monitoring ("RPM"), offering medical care providers, primarily in the US, with a highly scalable, cost-efficient platform to remotely and virtually manage large volumes of patients suffering from chronic diseases. The company offers care providers a comprehensive solution and lifts the administrative work from the care providers regarding, amongst other things, follow-up, 24/7 monitoring, as well as the reimbursement process from state and private health insurance companies. Patients are monitored long-term in everyday life and typically have diabetes, obesity, and /or cardiovascular disease.

For more information see [www.coalalife.com](http://www.coalalife.com)

### For more information, please contact:

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Certified Adviser

The company's Certified Adviser is Erik Penser Bank AB.

*This information is information that Coala Life is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-09-11 08:00 CEST.*

## Attachments

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