

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 2, 2023



CareCloud, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-36529
(Commission
File Number)

22-3832302
(IRS Employer
Identification No.)

7 Clyde Road, Somerset, New Jersey, 08873
(Address of principal executive offices, zip code)

(732) 873-5133
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	CCLD	Nasdaq Global Market
11% Series A Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share	CCLDP	Nasdaq Global Market
8.75% Series B Cumulative Redeemable Perpetual Preferred Stock, par value \$0.001 per share	CCLDO	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On October 2, 2023, the Company committed to effectively align resources with business priorities and improve profitability through a reduction in its work force. After the reduction is implemented and through employee attrition, the Company expects an improvement of approximately \$10 million in annualized free cash flow, which represents approximately 14% of total payroll cost. This reduction will result in approximately \$5 million in annualized expense savings. The difference between the free cash flow and the expense savings represents amounts which were previously accounted for as part of software capitalization. A majority of the impacted employees will exit in the fourth quarter of 2023. The Company estimates that it will incur expenses of approximately \$0.5 million related to the reduction in work force, of which approximately \$0.4 million is expected to be incurred in 2023, with the remaining expenses to be incurred during 2024. These expenses will consist of one-time termination benefits, including but not limited to, severance payments and healthcare benefits.

The estimates of the charges and expenditures that the Company expects to incur in connection with the above, and the timing thereof, are subject to several assumptions and the actual amounts incurred may differ from these estimates. In addition, the Company may incur other charges or cash expenditures not currently contemplated due to

unanticipated events that may occur.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CareCloud, Inc.

Date: October 3, 2023

By: /s/ A. Hadi Chaudhry
A. Hadi Chaudhry
Chief Executive Officer
