

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) **January 11, 2021**

SONOMA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33216
(Commission
File Number)

68-0423298
(IRS Employer
Identification No.)

645 Molly Lane, Suite 150
Woodstock, GA 30189
(Address of principal executive offices)
(Zip Code)

(800) 759-9305
(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 (see General Instruction A.2. below):

- 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:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common stock	SNOA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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 7.01 Regulation FD Disclosure.

Attached is the investor presentation for the H.C. Wainwright Bioconnect 2021 Virtual Conference. The presentation materials are furnished hereto as Exhibit 99.1.

This report contains forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements related to our future activities or future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by management. These statements are not guarantees of future performances and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks discussed in our annual report on Form 10-K and in other documents that we file from time to time with the SEC. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, except as required by law.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1†	Investor presentation as of January 11, 2021.

† The information filed as Exhibit 99.1 to this Current Report on Form 8-K is being furnished in accordance with Item 7.01 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities imposed by that Section. Such information shall not be incorporated by reference into any registration statement or other document or filing under the Securities Act of 1933, as amended, except as may be expressly set forth in a specific filing.

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.

Sonoma Pharmaceuticals, Inc.
(Registrant)

Date: January 11, 2021

By: /s/ Amy Trombly
Name: Amy Trombly
Title: Chief Executive Officer

Sonoma Pharmaceuticals, Inc.

NASDAQ: SNOA

January 2021



Legal Disclaimers

INVESTOR PRESENTATION

This communication is for informational purposes only. The information contained herein does not purport to be all-inclusive. The data contained herein is derived from various internal and external sources. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any information contained herein. Any data on past performance is no indication as to future performance. Sonoma Pharmaceuticals, Inc. ("Sonoma" or, the "Company") assumes no obligation to update the information in this communication. This presentation is not an offer to buy or the solicitation of an offer to sell Sonoma securities.

FORWARD-LOOKING STATEMENTS

Except for historical information herein, matters set forth in this presentation are forward-looking within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements about the commercial and technology progress and future financial performance of Sonoma Pharmaceuticals, Inc. and its subsidiaries (the "Company").

These forward-looking statements are identified by the use of words such as "believe," "achieve," and "strive," among others. Forward-looking statements in this presentation are subject to certain risks and uncertainties inherent in the Company's business that could cause actual results to vary, including such risks that regulatory clinical and guideline developments may change, scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, clinical results may not be replicated in actual patient settings, the Company will not have sufficient capital to implement its business plan, invalidated or circumvented by its competitors, the available market for the Company's products will not be as large as expected, the Company's products will not be able to penetrate one or more targeted markets, revenues will not be sufficient to fund further development and clinical studies, as well as uncertainties relative to varying product formulations and a multitude of diverse regulatory and marketing requirements in different countries and municipalities, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company disclaims any obligation to update these forward-looking statements, except as required by law.



Legal Disclaimers

NON-GAAP FINANCIAL MEASURES

Non-GAAP income (loss) from operations minus non-cash expenses (EBITDAS) is a non-GAAP financial measure. The Company defines operating income (loss) minus non-cash expenses as GAAP reported operating income (loss) minus operating depreciation and amortization, and operating stock-based compensation. The Company uses this measure for the purpose of modifying the operating income (loss) to reflect direct cash related transactions during the measurement period.

TRADEMARKS AND INTELLECTUAL PROPERTY

All trademarks, service marks, and trade names of the Company and its subsidiaries or affiliates used herein are trademarks, service marks, or registered trademarks of the Company as noted herein. Any other product, company names, or logos mentioned herein are the trademarks and/or intellectual property of their respective owners.



About Sonoma

Sonoma Pharmaceuticals is a global healthcare leader for developing and producing stabilized hypochlorous acid (HOCl) products for a wide range of applications, including wound care, animal health care, eye care, nasal care, oral care and dermatological conditions. The company's products reduce infections, itch, pain, scarring and harmful inflammatory responses in a safe and effective manner. In-vitro and clinical studies of HOCl show it to have impressive antipruritic, antimicrobial, antiviral and anti-inflammatory properties. Sonoma's stabilized HOCl immediately relieves itch and pain, kills pathogens and breaks down biofilm, does not sting or irritate skin and oxygenates the cells in the area treated assisting the body in its natural healing process. Sonoma also manufactures disinfectants that are distributed outside of the U.S. and in certain countries where it has received regulatory clearance to state the disinfectant kills the coronavirus causing COVID-19. The company's products are sold either directly or via partners in 54 countries worldwide and the company actively seeks new distribution partners.



Investor Highlights

Diverse global healthcare leader

- Focused on billion-dollar Rx and OTC wound care, dermatology, eye, oral and nasal care, disinfectant use and animal health markets
- Over 20 years of experience
- Robust international partner network;
- Focused on expanding U.S. partner network

Unique, patented and FDA-cleared, CE and ISO approved Microcyn® Technology

- HOCl is known to be among the safest and most effective ways to relieve itch, inflammation, and burns while stimulating natural healing through increased oxygenation and eliminating persistent microorganisms and biofilms
- Proven antipruritic, antimicrobial, antiviral and anti-inflammatory properties
- Disinfectant Approved in Australia and Canada for use against COVID-19
- Currently selling into 54 countries
- Diverse application capability



Business Developments 2020

- Executed asset purchase agreement with MicroSafe Group, Dubai in February 2020 to extend partnership to the Middle East, Australia and Europe in wound care and surface disinfectants and animal health care
- Received new CE marking for Microdacyn₁₀₀® Eye Care in April 2020
- Entered into expanded distribution agreement with Brill International S.L. Spain for the eye care product and new territories Germany, Italy, Spain, Portugal and UK in May 2020
- Approval by ARTG in Australia to use Nanocyn® Disinfectant and Sanitizer against SARS-CoV-2 in May 2020 and in Canada in September 2020
- Nanocyn® Disinfectant and Sanitizer passed material compatibility testing for Boeing and Airbus in a joint effort by Sonoma and MicroSafe Group
- Launched nasal and oral care products in Australia and New Zealand with partner Te Arai BioFarma
- Executed exclusive OTC distribution agreement with Crown Laboratories, Inc. on December 7, 2020
- Launched Endocyn®, a dental product, in December 2020
- Obtained FDA certification for Mexican facility



Current Research and Development

- Dermodacyn® Disinfecting solution study on viability of SARS-CoV-2, see <https://www.sciencedirect.com/science/article/pii/S019567012030339X>
- Endocyn® study on cellular toxicity, see <https://www.sciencedirect.com/science/article/abs/pii/S0099239917310439>
- HOCl study evaluating virucidal activity in Vero E6 cells against SARS-CoV-2, University of Barcelona, 11/27/2020
- Hypochlorous acid gel technology—Its impact on post-procedure treatment and scar prevention, see https://sonomapharma.com/wp-content/uploads/2020/08/Gold_et_al-2017-Journal_of_Cosmetic_Dermatology-003.pdf
- Topical stabilized hypochlorous acid: The future gold standard for wound care and scar management in dermatologic and plastic surgery procedures, see <https://sonomapharma.com/wp-content/uploads/2020/08/Topical-Stabilized-HOCL-consensus-article-2020.pdf>
- HOCl Article: Optimizing Wound Healing for Procedures – Apr 2018, see <https://sonomapharma.com/wp-content/uploads/2018/11/Practical-Derm-HOCl-article-4-7-18-wounds.pdf>



Key Opportunities

- Fully commercialize existing products via distribution partners or directly
- 21 U.S. FDA clearances as medical devices for Section 510(k)
- CEs for over 39 products
- Expand OTC reach in U.S. in the dermatology, eye, oral and nasal care, disinfectants and wound care markets
- Expand presence in the dental market
- Continue to add international distribution partners; grow existing relationships
- Robust product pipeline; continue to introduce new products worldwide
- Expand disinfectant sales globally

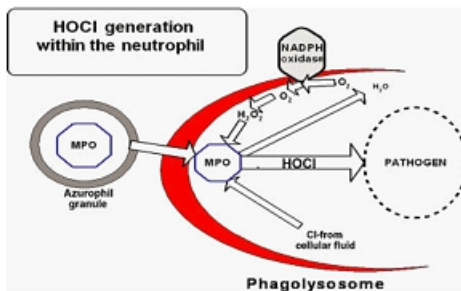


Sonoma's Microcyn Technology

- Stable triple-action topical technology
 - A powerful anti-microbial - reduces microbial load, including destruction of biofilms
 - Anti-inflammatory agent – reduces itch and pain
 - Anti-pruritic activity
 - Tissue healing (increased blood/oxygen flow to wound)
- Unparalleled safety – No drug-to-drug interaction or contraindications
 - Millions of patients treated worldwide without single report of serious adverse effect
 - 30+ human clinical trials with over 1,500 patients
- No mutations or resistance
 - Overused antibiotics may cause deadly epidemics such as MRSA
- Cost effective
 - Preventative – reduces hospital/physician visits
 - Medicare/hospital savings – faster healing reduces hospital stays



What is Hypochlorous Acid?



During the activation of neutrophils, respiratory bursts generate hydrogen peroxide (H₂O₂) and the activated granule enzyme myeloperoxidase converts H₂O₂ to hypochlorous acid (HOCl)

- Hypochlorous acid (HOCl) is produced by neutrophils in the body as part of its defense mechanism
- HOCl, is highly active against bacterial, viral, and fungal pathogens.
- HOCl has been shown to rapidly kill spore-forming and non-spore forming bacteria
- HOCl has also been shown to have significant activity against biofilms



Microcyn Technology microbial load reduction & infection control

30 seconds “*in vitro* kill time (%) reduction”

•MRSA - Staphylococcus aureus	99.999	VRE - Enterococcus faecalis	99.999
•Staphylococcus aureus	99.999	Escherichia coli	99.997
•Acinetobacter baumannii	99.999	Bacteroides fragilis	99.999
•Candida albicans	99.999	Enterobacter aerogene	99.999
•Enterococcus faecium	99.999	Haemophilus influenzae	99.993
•Klebsiella oxytoca	99.999	Klebsiella pneumoniae	99.999
•Micrococcus luteus	99.999	Proteus mirabilis	99.999
•Pseudomonas aeruginosa	99.998	Serratia marcescens	99.999
•Staphylococcus epidermidis	99.998	Staphylococcus haemolyticus	99.999
•Staphylococcus hominis	99.996	Staphylococcus saprophyticus	99.999
•Streptococcus pyogenes	99.999		



U.S. Summary

- FDA-cleared products targeting:
 - atopic dermatitis, dermal lesions
 - scar management,
 - pain and itch relief and other dermatological conditions
 - eye-lash hygiene
 - acute and chronic wound care
 - oral care (dental surgery)
 - both OTC and Rx
- Ability to partner for OTC, Rx, and private labels
- Relocating manufacturing to Mexico resulted in reduced COGs opening price-sensitive channels and opportunities for volume plays
- Established and growing animal healthcare line of products
- Change in business strategy has led to expanded U.S. business development targeting increasing relationships with U.S. distributors
- Reduced focus on direct sales



Attractive U.S. Product Offerings



Robust International Distribution Network

- Steadily growing existing partner base with broad indications
- ISO/FDA registered/CE/EN/MOH/TGA registrations for state-of-the-art Mexico manufacturing facility
- Ship to 54 countries globally
- 40+ partners in dermatology, eye, wound, animal care and for surface disinfectant
- Ability to produce over 400,000 high-quality units per month
- Flexible operations capable of high/small volume, large/small batch, private label, and multiple configurations/packaging
- Collaborative relationship with International Partners leading to product innovation and development



Europe



Latin America



Asia



Middle East



Animal Health Care

- MicrocynAH® is a family of advanced animal healthcare products that are safe to use on all animals, no matter the species or age
- Perfect for hot spots, scratches, skin rashes and ulcers, cuts, burns, post-surgical sites, irritated skin and lacerations.
- We partner with MannaPro Products in the U.S. and Canada
- Sold in national pet-store retail chains, farm animal specialty stores, at veterinarians, and mass retailers
- Internationally, we partnered with Petagon, Ltd. for the Asia and European sales



NASDAQ: SNDA 19

Sonoma Partnership Principles

- Sonoma seeks long-term strategic partnerships, based on win/win business plans; 50/50 mentality with focus on what's most important to each side.
- Regular in-person and phone meetings to strengthen relationships.
- "Do what you say and say what you do" mentality with a high standard of ethical behavior and transparent communication. No hidden agendas.
- Sonoma seeks partners with innovative and differentiated technologies or products. Focus on profitable revenue growth consistent with current portfolio.



Accomplishments in 2020

Improved Stock Performance

- Market cap of \$17.0 @ 12/14/2020 versus \$7.6m @ 9/30/2019

Eliminated over \$2m of operating expenses per quarter and achieved break-even

- Operating expenses of approx. \$4m per quarter in 2019 leading to a large capital raise in November 2019
- Restructured in 2020 to cut expenses by eliminating redundant operations in Seattle and Petaluma, relocated U.S. manufacturing to more cost-efficient Mexico facility, and reduced sales force while focusing on profitable business lines
- Operating expenses in September 2020 quarter were \$2.3m and in June 2020 quarter were \$2.9m; goal is to remain profitable with core business operations
- Net income for quarter and six months ended September 30, 2020
- Obtained \$1.3m in forgivable PPP funding; no dilutive capital raise in over a year

Identified Opportunities for Growth

- Aggressive and robust pipeline of products
- Increased focus on U.S. market
- Continued expansion in international markets



Key Financial Metrics

	Quarter Ended Sept 30, 2020* (unaudited)	Quarter Ended Sept 30, 2019* (unaudited)	Six Months Ended Sept 30, 2020* (unaudited)	Six Months Ended Sept 30, 2019* (unaudited)
Total Revenues	\$5,769	\$4,727	\$11,536	\$9,221
Gross Profit	\$2,502	\$2,175	\$4,757	\$4,468
Operating Expenses	\$2,333	\$3,462	\$5,253	\$7,526
Net Income (Loss)	\$120	\$(1,203)	\$360	\$(488)
EBITDAS	\$383	\$(1,086)	\$(166)	\$(2,489)
Cash & Cash equivalents	\$4,320	\$3,232	\$4,320	\$3,232
Working capital	\$11,698	\$8,624	\$11,698	\$8,624
Shareholders' Equity	\$11,562	\$10,271	\$11,562	\$10,271



* dollars in thousands

Balance Sheet Highlights

(in thousands)

	September 30, 2020	
	(unaudited)	March 31, 2020
Assets		
Cash and cash equivalents	\$ 4,320	\$ 3,691
Accounts receivable, net	5,279	4,062
Inventories	3,704	2,192
Other current assets	2,964	2,438
Total Current Assets	16,267	12,383
Other assets	1,878	2,178
TOTAL ASSETS	\$ 18,145	\$ 14,561
Liabilities and Stockholders' Equity		
Accounts payable and other current liabilities	\$ 4,520	\$ 4,384
Current portion of long term debt	49	481
Total current liabilities	4,569	4,865
Other long term liabilities	704	991
Long term debt	1,310	-
Total long term liabilities	2,014	991
TOTAL LIABILITIES	\$ 6,583	\$ 5,856
TOTAL STOCKHOLDERS' EQUITY	\$ 11,562	\$ 8,705
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 18,145	\$ 14,561



Income Statement, Sept. 30, 2020

(unaudited, in thousands, except per share amounts)

	Three Months ended September 30,		Six Months ended September 30,	
	2020	2019	2020	2019
Revenues	\$ 5,769	\$ 4,727	\$ 11,536	\$ 9,221
Cost of revenue	3,267	2,552	6,779	4,753
Gross profit	2,502	2,175	4,757	4,468
Operating expenses				
Research and development	(85)	270	391	608
Selling, general and administrative	2,418	3,192	4,862	6,918
Total Operating Expenses	2,333	3,462	5,253	7,526
Income (loss) from operations	169	(1,287)	(496)	(3,058)
Other income (expense)	(18)	(1)	(61)	2,444
Income from continuing operations	\$ 151	\$ (1,288)	\$ (557)	\$ (614)
Income from discontinued operations	(31)	85	917	126
Net income	\$ 120	\$ (1,203)	\$ 360	\$ (488)
Net income per share basic				
Continuing operations	\$ 0.08	\$ (0.98)	\$ (0.29)	\$ (0.47)
Discontinued operations	(0.02)	0.06	0.48	0.10
	\$ 0.06	\$ (0.92)	\$ 0.19	\$ (0.37)
Net income per share diluted				
Continuing operations	\$ 0.07	\$ (0.98)	\$ (0.26)	\$ (0.47)
Discontinued operations	(0.01)	0.06	0.43	0.10
	\$ 0.06	\$ (0.92)	\$ 0.17	\$ (0.37)
Weighted Average Common Shares Outstanding				
Basic	2,008	1,317	1,924	1,317
Diluted	2,159	1,317	2,118	1,317



Statement of Cash Flows, Sept. 30, 2020

(unaudited, in thousands)

	Six Months ended September 30,	
	2020	2019
Net cash (used in) provided by operating activities	\$ (2,648)	\$ (160)
Net cash (used in) provided by investing activities	475	(69)
Net cash (used in) provided by financing activities	2,797	(241)
Effect of exchange rates on cash and cash equivalents	5	13
Net increase in cash and cash equivalents	629	(457)
Cash and cash equivalents, beginning of period	3,691	3,689
Cash and cash equivalents, end of period	\$ 4,320	\$ 3,232



Revenue Metrics

(unaudited, in thousands)

	Three Months ended September 30,			
	2020	2019	Change	% Change
Revenue by revenue sources:				
Human	\$ 4,776	\$ 3,801	\$ 975	25.65%
Animal	951	912	39	4.28%
Other	42	34	8	N/A
	<u>\$ 5,769</u>	<u>\$ 4,727</u>	<u>\$ 1,042</u>	<u>22.04%</u>
Revenue by geographic area:				
United States	\$ 1,984	\$ 2,209	\$ (225)	-10.19%
Latin America	2,024	948	1,076	113.50%
Europe and Rest of the World	1,761	1,570	191	12.17%
	<u>\$ 5,769</u>	<u>\$ 4,727</u>	<u>\$ 1,042</u>	<u>22.04%</u>
	Six Months ended September 30,			
	2020	2019	Change	% Change
Revenue by revenue sources:				
Human	\$ 10,094	\$ 7,772	\$ 2,322	29.88%
Animal	1,388	1,325	63	4.75%
Other	54	124	(70)	N/A
	<u>\$ 11,536</u>	<u>\$ 9,221</u>	<u>\$ 2,315</u>	<u>25.11%</u>
Revenue by geographic area:				
United States	\$ 3,605	\$ 4,696	\$ (1,091)	-23.23%
Latin America	4,350	1,712	2,638	154.09%
Europe and Rest of the World	3,581	2,813	768	27.30%
	<u>\$ 11,536</u>	<u>\$ 9,221</u>	<u>\$ 2,315</u>	<u>25.11%</u>





Thank You.

