

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 6, 2023**

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.)

5445 Conestoga Court, Suite 150
Boulder, CO 80301
(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 updated investor presentation of Sonoma Pharmaceuticals, Inc. and its affiliates (the "Company"). The presentation materials are furnished hereto as Exhibit 99.1.

Except for historical information herein, matters set forth in this report 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 the Company.

These forward-looking statements are identified by the use of words such as "will," "develop," "project," "expect," and "expand," among others. Forward-looking statements in this report 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, protection offered by the Company's patents and patent applications may be challenged, 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 meet the Company's cash needs, fund further development, as well as uncertainties relative to the COVID-19 pandemic and economic development, 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1†	Investor Presentation as of January 6, 2023.
104	Cover Page Interactive Data File (formatted in inline XBRL in Exhibit 101).

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.

Date: January 6, 2023

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

Sonoma Pharmaceuticals, Inc.

January 2023



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. and its subsidiaries ("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.

These forward-looking statements are identified by the use of words such as "believe," "achieve," and "expect," 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.

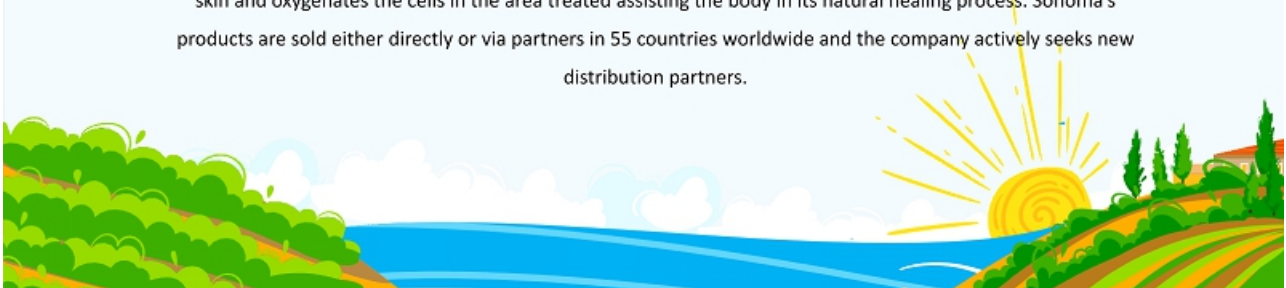
TRADEMARKS AND INTELLECTUAL PROPERTY

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 dermatology, wound care, eye care, nasal care, oral care, animal health and non-toxic disinfectants. Sonoma's products are clinically-proven to reduce infections, itch, pain, scarring and harmful inflammatory responses safely and without damaging healthy tissue. In-vitro and clinical studies of HOCl show it to have impressive antipruritic, antimicrobial, antiviral and anti-inflammatory properties. Sonoma's stabilized HOCl 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's products are sold either directly or via partners in 55 countries worldwide and the company actively seeks new distribution partners.



Investor Highlights

Diverse global healthcare leader

- Focused on billion-dollar markets in Rx and OTC dermatology, wound care, eye, oral and nasal care, animal health and non-toxic disinfectants treating common injuries, infections and irritations that virtually everyone experiences
- Over 20 years of experience with over 100 clinical studies and continual product innovation
- Extensive regulatory clearances in the U.S., EU and worldwide means products can be commercialized faster
- Robust and diverse international partner network selling into 55 countries
- Pharmaceutical-grade manufacturing capabilities in Mexico lowers COGS and creates opportunities for volume plays

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, redness and irritation while stimulating natural healing through increased oxygenation and eliminating persistent microorganisms and biofilms
- Microcyn effectively treats common everyday irritations, such as rashes, and chronic conditions, such as diabetic foot ulcers making it a flexible treatment appealing to almost anyone. Unlike other common treatments such as steroids or antibiotics, Microcyn can be used long-term with no reported serious adverse effects and no contraindications. Microcyn is extremely safe and all-natural.
- Proven antipruritic, antimicrobial, antiviral and anti-inflammatory properties
- Non-toxic disinfectant approved in the U.S. and Australia for use against COVID-19



Key Opportunities

- Expand Rx and OTC reach in U.S. in the dermatology, wound care, eye, oral and nasal care, animal care and non-toxic disinfectants markets via direct-to-consumer sales and distribution partnerships
- Fully commercialize robust pipeline of new products via direct-to-consumer sales or distribution partnerships
- 21 U.S. FDA clearances as medical devices for Section 510(k); CE for over 39 products
- Sonoma offers a direct-dispense model for its products, offering professionals such as dermatologists, pediatricians, podiatrists, optometrists, estheticians and vets the opportunity to increase revenues in their practices
- Expand presence in new markets by replicating what works in existing markets
- Continue to add international distribution partners; grow existing relationships
- Continue co-development of innovative new products with partners in the U.S. and internationally
- Expand non-toxic disinfectant sales globally; have recently secured EPA clearance in the U.S. and expect to commence sales in summer 2023



Recent Business Developments

- In January 2023, Sonoma launched two new products, Reliefacyn® Plus Itch-Burn-Rash-Pain Relief Hydrogel and Rejuvacyn® Plus Skin Repair Cooling Mist, expanding its line of office dispense products exclusively for dermatologists and medical spas.
- Sonoma launched two new over-the-counter dermatological products in October 2022 for use in the United States: Reliefacyn® Advanced Itch-Burn-Rash-Pain Relief Hydrogel and Rejuvacyn® Advanced Skin Repair Cooling Mist.
- In September 2022, Sonoma's partner Te Arai BioFarma received regulatory approval to market and sell Sonoma's Microdacyn and Microdacyn Hydrogel products in Taiwan.
- In August 2022, Sonoma expanded its U.S. distributor network by granting Loma Lux Laboratories a non-exclusive right to distribute Sonoma's products for pain and itch relief under a private label, and by partnering with Beauty Bridge, a curated beauty and wellness marketplace, to sell Sonoma's Regenacyn® Advanced Scar Gel and Ocucyn® Eyelid & Eyelash Cleanser products on its website.
- In August 2022, Sonoma launched MicrocynVS® directly for veterinarian clinics and practices, and announced a non-exclusive partnership with DV Med Supply, Inc. to commercialize the MicrocynVS® product line through its impressive direct channels to over 400 veterinary clinics.
- Certain of Sonoma's over-the-counter products received the Natural Personal Care Product certification from the Natural Products Association in June 2022.



Market Opportunities

Sonoma is expanding its partnerships and product offerings in the all-natural skin care and medical spa industries.

- The global **natural skin care** products market size was valued at \$6.7 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 6.6% from 2022 to 2030.¹
- The global **medical spa** market size was valued at \$16.4 billion in 2022 and is expected to expand at a compound annual growth rate (CAGR) of 14.97% from 2023 to 2030.²
 - North America dominated the medical spa market with a share of 41.5% in 2022, attributable in part to increasing demand for minimally invasive aesthetic procedures.³

Sonoma also continues to expand its presence in the global **animal health** market that was valued at \$39.9 billion in 2021 and is expected to witness a compound annual growth rate (CAGR) of 10.0% from 2022 to 2030.⁴

1. Grand View Research, *Natural Skin Care Products Market Report, 2022-2030*, available at <https://www.grandviewresearch.com/industry-analysis/natural-skin-care-products-market>

2. Grand View Research, *Medical Spa Market Size, Share & Growth Analysis Report 2030*, available at <https://www.grandviewresearch.com/industry-analysis/medical-spa-market>

3. *Ibid.*

4. Grand View Research, *Animal Health Market Size & Share Report, 2022-2030*, available at <https://www.grandviewresearch.com/industry-analysis/animal-health-market>



Growth Strategy

- Increase sales of dermatology products through the direct dispense model that generates Sonoma's highest margins by leveraging Sonoma's existing relationships with dermatologists and skin care professionals
- Increase direct-to-consumer marketing in niche markets to generate greater overall margins, while continuing to grow successful distribution partner network
- Expand new and existing technology to new markets by working with KOLs and utilizing expertise and reach of distribution partnerships
- Maintain robust product pipeline and seek additional regulatory clearances for new indications and in new markets



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
- Over 100 clinical papers available on our website

No mutations or resistance

- Overused antibiotics may cause deadly epidemics such as MRSA

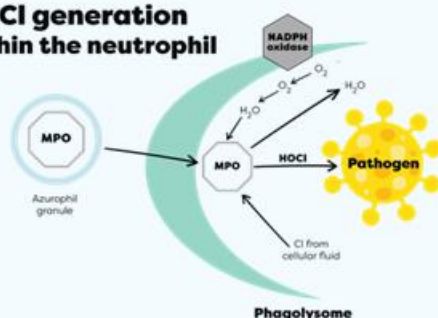
Cost effective

- Preventative – reduces hospital/physician visits
- Medicare/hospital savings – faster healing reduces hospital stays



What is Hypochlorous Acid?

HOCl generation within the neutrophil



During the activation of neutrophils, respiratory bursts generate hydrogen peroxide (H_2O_2) and the activated granule enzyme myeloperoxidase converts H_2O_2 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		



Research and Development

Over 100 research articles and case and clinical studies showcasing both the efficacy and safety of our Microcyn® technology can be found on our website at <https://sonomapharma.com/literature/>.

Here is a sample:

- 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>



U.S. Summary



- **FDA-cleared products targeting:**
 - Atopic dermatitis, dermal lesions (acne), scar management, symptoms of eczema, pain and itch relief and other dermatological conditions
 - Eye care, including eye-lash hygiene
 - Medspa and beauty markets for skin care and repair
 - Acute and chronic wound care
 - Oral care
 - Animal care
 - EPA clearance for a non-toxic disinfectant
- **EPA-cleared non-toxic disinfectant**
- **Expanding into direct sales with new products and channels resulting in higher margins**
- **Ability to partner for OTC, Rx, and private label**
- **Mexican based manufacturing plant costing opens price-sensitive channels and opportunities for volume plays**
- **Shipping from Mexico avoids extra expense and delays vs. shipping from Asia**
- **Established and growing animal healthcare line of products**
- **Business development efforts targeting increasing and diverse relationships with U.S. distributors**



U.S. Product Offerings

Levicyn
Antimicrobial
Dermal Spray



Epicyn
Antimicrobial
Facial Cleanser



Celacyn
Scar Management Gel



Regenacyn
Advanced Scar Gel



Microcyn Rx
Skin & Wound Care



Acuicyn
Antimicrobial Eyelid
& Eyelash Hygiene



Reliefacyn
Itch, Burn, Rash & Pain Care



Rejuvacyn
Skin Repair



Microcyn OTC
Wound & Skin Cleanser



Ocuicyn
Eyelid & Eyelash Cleanser



Animal Health Care

MicrocynAH[®] family of advanced animal healthcare products, safe to use on pets and livestock, and perfect for hot spots, pink eye, scratches, skin rashes and ulcers, cuts, burns, post-surgical sites, irritated skin and lacerations.

- Sold in national pet-store retail chains and specialty stores such as Petsmart, Chewy.com, Tractor Supply, Cabela's and Bass Pro Shops. Distributed by MannaPro Products.



MicrocynVS[®] veterinarian-strength animal care for use in vet clinics and animal hospitals.



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 55 countries globally
- 40+ partners in dermatology, eye, wound, oral and nasal care, animal care and for surface disinfectant
- 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



Cutting Edge Manufacturing



- ISO 9001, ISO 13485 and cGMP certified
- MOH, KFDA, SFDA, KSA, TGA, EN, Biocide and many other national listing/approvals
- Shipping to 55 countries
- Highly trained staff
- Flexibility In Use Of Indications, SKUs, Packaging & Labeling



Guadalajara Plant



located in Guadalajara, Mexico



Laboratory



Materials Testing Laboratory



Water Treatment System



Product



Air Systems



Packaging Area



Labeling



Boxing



Ready for shipment



Warehouse



EU Products

Solutions that work naturally **for everybody**

Mucoclyns[®]
Decontamination solution



Exposure to
germs and
pathogens

Microdacyn60[®]
Oral Care



Mouth and
throat
infections

Sinudox[®]
Nasal care



Blocked nose or
sinuses

Ocudox[®]
Eye lid solution



Blepharitis
treatment

Epicyn[®]
Dermatology



Keloid or
hypertrophic
scar

Gramaderm[®]
Dermatology



Acne
treatment

Pediacyc[®]
Dermatology



Atopic
Dermatitis



Latin America

Celacyn
Scar Management Gel



Gramacyn
Kit for Acne Skin



Microdacyn
Wound Care



Asia

Singapore, Malaysia, Thailand, Indonesia
WoundCare



China
Microcyn



Hong Kong
Microdacyn60 Oral Care



South Korea
BioDerm & Biodacyn60 Wound Care



The Philippines
Microdacyn



MicrocynAH



Middle East

Microdacyn
Wound Care



Microsafe
Disinfectant & Sanitizer



Microsafe
Disinfectant & Sanitizer



Microsafe

Face Cool, Anti-Microbial, Baby Cool, Foot Cool, Lady Cool



Australia and New Zealand

Microdacyn
Surgical Irrigation and
Wound Treatment



Microdox
Super-Oxidised Solution
Bladder & Catheter Rinse



Epicyn
Treat Scars Right
from the Start



Our Global Brands & Partners

Growing our own brands and/or partner brands



Key Financial Metrics

	Six Months Ended Sept. 30, 2022* (unaudited)	Six Months Ended Sept. 30, 2021* (unaudited)
Total Revenues	\$7,314	\$7,428
Gross Profit	\$2,782	\$2,694
Operating Expenses	\$4,368	\$4,563
Net Income (Loss)	\$(1,904)	\$(1,198)
EBITDAS loss	\$(1,200)	\$(1,655)
Cash & Cash equivalents	\$3,351	\$8,392
Working capital	\$8,866	\$13,943
Shareholders' Equity	\$7,021	\$11,460



* dollars in thousands

Balance Sheet Highlights

September 30, 2022 March 31, 2022

ASSETS

(unaudited)

Current assets:			
Cash and cash equivalents	\$	3,351	\$ 7,396
Accounts receivable, net		2,487	2,407
Inventories, net		3,025	2,663
Other current assets		3,530	3,964
Total current assets		12,393	16,430
Other assets		2,569	2,415
Total assets	\$	14,962	\$ 18,845

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and other current liabilities	\$	3,298	\$ 5,011
Current portion of long-term debt		229	808
Total current liabilities		3,527	5,819
Other long-term liabilities		4,399	4,329
Long-term debt		15	-
Total liabilities	\$	7,941	\$ 10,148
Total stockholders' equity		7,021	8,697
Total liabilities and stockholders' equity	\$	14,962	\$ 18,845



* dollars in thousands

Income Statement, September 30, 2022

Six Months Ended

September 30,

	2022	2021
Revenues	\$ 7,314	\$ 7,428
Cost of revenues	4,532	4,734
Gross profit	2,782	2,694
Operating expenses		
Research and development	6	95
Selling, general and administrative	4,362	4,468
Total operating expenses	4,368	4,563
Loss from operations	(1,586)	(1,869)
Interest income (expense), net	3	(5)
Other income (expense), net	(256)	531
Gain on sale of assets	-	150
Loss before income taxes	(1,839)	(1,193)
Income tax benefit (expense)	(65)	(5)
Net loss	\$ (1,904)	\$ (1,198)
Net loss per share: basic	\$ (0.61)	\$ (0.54)
Net loss per share: diluted	\$ (0.61)	\$ (0.54)
Weighted-average number of shares: basic	3,101	2,219
Weighted-average number of shares: diluted	3,101	2,219
Other comprehensive loss		
Net loss	\$ (1,904)	\$ (1,198)
Foreign currency translation adjustments	(99)	73
Comprehensive loss	\$ (2,003)	\$ (1,125)



* unaudited, in thousands, except per share amounts

Statement of Cash Flows, Sept. 30, 2022

	Six Months Ended September 30,	
	2022	2021
Net cash (used in) provided by operating activities	\$ (3,363)	\$ (2,527)
Net cash (used in) provided by investing activities	(210)	(38)
Net cash (used in) provided by financing activities	(565)	6,711
Effect of exchange rates on cash and cash equivalents	93	26
Net increase in cash and cash equivalents	(4,045)	4,172
Cash and cash equivalents, beginning of period	7,396	4,220
Cash and cash equivalents, end of period	\$ 3,351	\$ 8,392

* unaudited, in thousands



Revenue Metrics

Revenues by revenue source:

	Six Months Ended September 30,	
	2022	2021
Human Care	\$ 4,615	\$ 5,186
Animal Care	1,523	1,937
Service and Royalty	1,176	305
	\$ 7,314	\$ 7,428

Revenue by geographic region:

	Six Months Ended September 30,	
	2022	2021
United States	\$ 1,842	2,939
Europe	2,012	1,688
Asia	1,155	638
Latin America	1,444	1,083
Rest of the World	861	1,080
Total	\$ 7,314	\$ 7,428

* unaudited, in thousands



THANK YOU

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NASDAQ: SNOA