**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 17, 2024**

## SONOMA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

| **Delaware** | **001-33216** | **68-0423298** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (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. ☐

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**Item 1.01 Entry into a Material Definitive Agreement.**

As previously reported, effective August 19, 2024, we entered into a distribution agreement (the "Agreement") with Medline Industries, LP ("Medline"), for the marketing and distribution of our wound care products in the United States. The Agreement is for an initial term of five years, subject to automatic one-year renewal periods.

On October 17, 2024, we entered into Amendment No. 1 to the Distribution Agreement (the "Amendment"), which allows Medline to also sell our wound care products in Canada, as well as to sell additional over-the-counter wound care products to retailers in both countries.

The foregoing description of the Amendment and the Agreement is not complete and is qualified in its entirety by reference to the full text of the Amendment, which is filed herewith as Exhibit 10.1 to this Current Report on Form 8-K, and the Agreement, a redacted copy of which was filed as Exhibit 10.1 to our Current Report on Form 8-K on August 21, 2024.

**Item 8.01 Other Events.**

Attached is the updated investor presentation of Sonoma Pharmaceuticals, Inc. and its affiliates (the "Company"). The presentation materials are filed 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 |
|---|---|
| 10.1†* | Amendment No. 1 to Distribution Agreement, dated October 17, 2024, by and between Sonoma Pharmaceuticals, Inc. and Medline Industries, LP. |
| 10.2 †* | Distribution Agreement, dated August 19, 2024, by and between Sonoma Pharmaceuticals, Inc. and Medline Industries, LP(included as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 21, 2024, and incorporated herein by reference). |
| 99.1 | Investor Presentation as of October 22, 2024. |
| 104 | Cover Page Interactive Data File (formatted in Inline XBRL in Exhibit 101). |

† Certain portions of the agreement have been omitted to preserve the confidentiality of such information. The Company will furnish copies of any such information to the SEC upon request.

* Some exhibits or schedules to the agreement have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish copies of any such schedule or exhibit to the SEC upon request.



**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: October 22, 2024

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

**Exhibit 10.1**

**[Certain identified information has been excluded from the exhibit because it both (i) is not material and (ii) is the type that the company treats as private or confidential.]**

**AMENDMNET NO. 1 TO DISTRIBUTION AGREEMENT**

This Amendment No. 1 (this "Amendment") to the Distribution Agreement, dated August 19, 2024 (the "Original Agreement"), between Medline Industries, LP, an Illinois limited partnership with its principal offices located at 3 Lakes Drive, Northfield, IL 60093 together with its subsidiaries and affiliates (collectively, "Medline"), and Sonoma Pharmaceuticals, Inc., with offices at 5445 Conestoga Court Suite 150, Boulder, CO 80301 ("Supplier" and, together with Medline, the "Parties" and each a "Party"), is entered into and effective as of October 17, 2024 (the "Amendment Effective Date"). The Original Agreement, together with this Amendment, shall constitute the complete agreement (the "Distribution Agreement"). All capitalized terms not defined herein shall have the meanings ascribed to them in the Distribution Agreement.

**BACKGROUND**

WHEREAS, pursuant to the Distribution Agreement, Supplier authorized Medline to distribute the Products [_____] in the United States pursuant to the terms and conditions set forth in the Distribution Agreement;

WHEREAS, Supplier now desires to authorize Medline (i) as a distributor of additional Products [_____] in the United States, and (ii) as a distributor of the Products [_____] in Canada;

WHEREAS, Medline desires to accept such appointment;

WHEREAS, in light of the foregoing, the Parties wish to amend certain other terms and conditions of the Original Agreement as set forth herein; and

NOW, THEREFORE, for and in consideration of the mutual covenants and promises set forth herein and in the Original Agreement, the receipt and sufficiency of which are hereby acknowledged, Medline and Supplier agree to amend the Original Agreement as follows:

**AMENDMENT**

1. Exhibit A attached to the Original Agreement is hereby deleted and replaced in its entirety with Exhibit A attached hereto.

2. Section 2.a of the Original Agreement is hereby deleted and replaced with the following:

   a. Supplier hereby authorizes Medline to distribute the Products [_____] in the United States and Canada pursuant to the terms and conditions set forth in this Agreement, and Medline hereby accepts such appointment.

3. The following Section 15 shall be added to the Agreement:

   15. **Marketing Authorization**.

   a. Within [_____] ([__]) months of the Amendment Effective Date, Medline shall obtain marketing authorization for the Products in Canada. If marketing authorization for the Products in Canada takes more than [_____] ([__]) months of the Amendment Effective Date, Medline to inform Supplier and mutually agree on a timeline. If such marketing authorization is not mutually agreed within [_____] ([__]) months of the Amendment Effective Date, Supplier may, at its sole option, terminate the appointment set forth in Section 2 above.

   b. Medline shall be responsible for and shall bear the cost of all regulatory and customs clearance for the Products in Canada.

4. All other terms of the Distribution Agreement shall remain in full force and effect.

5. For convenience of the Parties hereto, this Amendment may be executed in one or more counterparts, each of which shall be deemed an original for all purposes.



IN WITNESS WHEREOF, the parties have by their duly authorized officers executed this Amendment as of the Amendment Effective Date.

| **SONOMA PHARMACEUTICALS, INC.** | | **MEDLINE INDUSTRIES, LP** | |
|---|---|---|---|
| By: | /s/ Amy Trombly | By: | /s/ [_____] |
| Name: | Amy Trombly | Name: | [_____] |
| Title: | Chief Executive Officer | Title: | General Manager – AWC Division |
| Date: | October 17, 2024 | Date: | October 17, 2024 |

**Exhibit 99.1**

# Sonoma Pharmaceuticals, Inc.

## Investor Presentation

October 2024

## 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.

**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, eye, oral and nasal care, dermatological conditions, podiatry, animal health care and non-toxic disinfectants. Sonoma's products are clinically proven to reduce itch, pain, scarring, and irritation safely and without damaging healthy tissue. In-vitro and clinical studies of HOCl show it to safely manage skin abrasions, lacerations, minor irritations, cuts, and intact skin.


Sonoma's products are sold either directly or via partners in 55 countries worldwide. Sonoma actively seeks new distribution partners.



# Investment Highlights

**Hypochlorous Acid Industry Leader**

- **Over 20 years of experience developing and manufacturing products containing HOCl, over 100 research articles, papers and clinical and case studies, over 50 active U.S. and international patents, and continual product innovation**
- **21 U.S. FDA clearances as 510(k) medical devices, CE marks for over 39 products, and extensive worldwide regulatory clearances**
- **Utilized on millions of patients worldwide without a single report of serious adverse effect**

**Diverse Global Healthcare Business**

- **Focused on billion-dollar markets in Rx and OTC dermatology, wound care, eye, oral and nasal care, podiatry, animal health and non-toxic disinfectants, treating common injuries and managing irritations**
- **Robust and diverse international partner network selling into over 55 countries and extensive worldwide regulatory clearances means products can be commercialized faster**
- **FDA registered medical device manufacturing capabilities in Mexico lowers COGS and creates opportunities for volume plays**

# Sonoma's Microcyn® Technology

## Patented, Stabilized Triple-Action Topical Technology

- HOCl kills microbes including bacteria, fungi and viruses while assisting healing
- Relieves pain and itch
- Improves wound care by cleaning and moistening the wound and peri-wound area
- Safely manage skin abrasions, lacerations, minor irritations, cuts, burns, and intact skin
- Applications in dermatology include atopic dermatitis, scar treatment and daily care

## May replace other treatments with side effects or health concerns

- Overused antibiotics may cause deadly epidemics such as MRSA
- May replace steroids for some patients
- Avoids harmful ingredients such as benzoyl peroxide

## Cost Effective

- Reduces hospital/physician visits
- Medicare/hospital savings from reduced hospital stays



# Sonoma's Microcyn® Technology

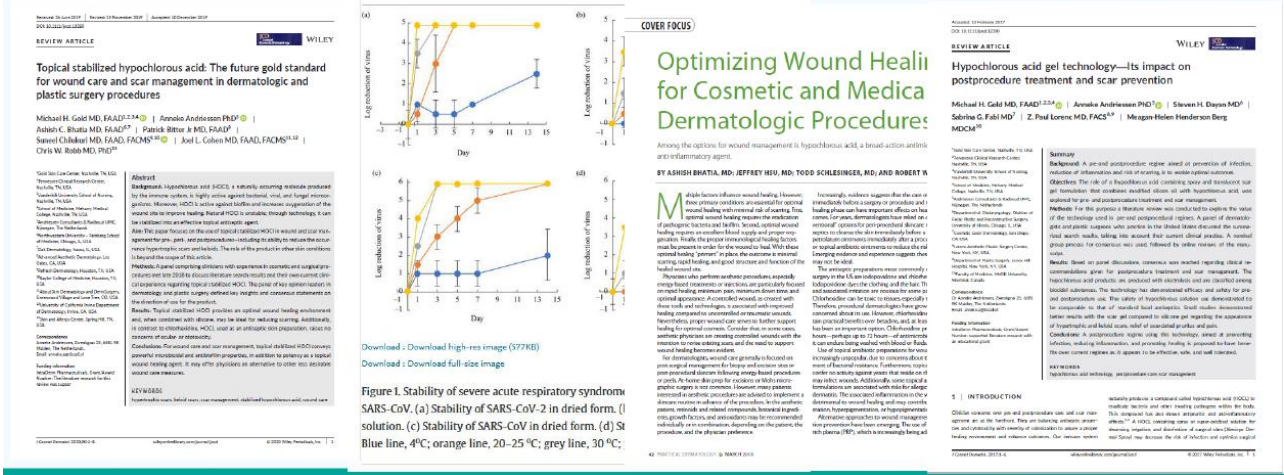
## Unparalleled Safety

- No drug-to-drug interaction or contraindications
- Millions of patients treated worldwide without a single report of serious adverse effect
- 30+ human clinical trials with over 1,500 patients
- Products contain all-natural hypochlorous acid

## Industry Leader

- Strong U.S. and international regulatory portfolio
- Longer shelf life than most competitors while retaining efficacy
- Available in solution, hydrogels and in combination with silicone for scar treatment
- White label available with custom packaging and design
- Established Microcyn® brand
- State of the art manufacturing

# Over 100 research articles and case and clinical studies showcasing both the efficacy and safety of our Microcyn® technology



REVIEW ARTICLE

WILEY

Topical stabilized hypochlorous acid: The future gold standard for wound care and scar management in dermatologic and plastic surgery procedures

Michael H. Gold MD, FAAD[1,2,3,4] | Annelie Andriessen PhD[5] | Ashish C. Bhatia MD, FAAD[6,7] | Patrick Bitter Jr MD, FAAD[8] | Samuel Chilukuri MD, FAAD, FACMS[9,10] | Joel L. Cohen MD, FAAD, FACMS[11,12] | Chris W. Robb MD, PhD[13]

Abstract

Background. Hypochlorous acid (HOCl), a naturally occurring molecule produced by the immune system, is highly active against bacterial, viral, and fungal microorganisms. Moreover, HOCl is active against biofilms and increases oxygenation of the wound site to improve healing. Natural HOCl is unstable; through technology, it can be stabilized into an effective topical antiseptic agent.

Aim. This paper focuses on the use of topical stabilized HOCl in wound and scar management for pre-, post-, and postprocedures—including its ability to reduce the occurrence hypertrophic scars and keloids. The role of the product in other skin conditions is beyond the scope of this article.

Methods. A panel comprising clinicians with experience in cosmetic and surgical procedures met late 2018 to discuss literature search results and their own current clinical experience regarding topical stabilized HOCl. The panel of key opinion leaders in dermatology and plastic surgery defined key insights and consensus statements on the direction of use for the product.

Results. Topical stabilized HOCl provides an optimal wound healing environment and, when combined with silicone, may be ideal for reducing scarring. Additionally, in contrast to chlorhexidine, HOCl, used as an antiseptic skin preparation, raises no concerns of ocular or ototoxicity.

Conclusions. For wound care and scar management, topical stabilized HOCl conveys powerful microbicidal and antibiofilm properties, in addition to potency as a topical wound healing agent. It may offer physicians an alternative to older less desirable wound care measures.

KEYWORDS



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Figure 1. Stability of severe acute respiratory syndrome SARS-CoV. (a) Stability of SARS-CoV-2 in dried form. (l solution. (c) Stability of SARS-CoV in dried form. (d) St Blue line, 4°C; orange line, 20–25 °C; grey line, 30 °C;

COVER FOCUS

Optimizing Wound Healii for Cosmetic and Medica Dermatologic Procedures

Among the options for wound management is hypochlorous acid, a broad-action antiinfl anti-inflammatory agent.

BY ASHISH BHATIA, MD; JEFFREY HSU, MD; TODD SCHLESINGER, MD; AND ROBERT W

Multiple factors influence wound healing. However, three primary conditions are essential for optimal wound healing with minimal risk of scarring. First, optimal wound healing requires the eradication of pathogenic bacteria and biofilm. Second, optimal wound healing requires an excellent blood supply and proper oxygenation. Finally, the proper immunological healing factors must be present in order for the wound to heal. With these optimal healing "primers" in place, the outcome is minimal scarring, rapid healing, and good structure and function of the healed wound site.

Physicians who perform aesthetic procedures, especially energy-based treatments or injections, are particularly focused on rapid healing, minimum pain, minimum down time, and optimal appearance. A controlled wound, as created with these tools and technologies, is associated with improved healing compared to uncontrolled or traumatic wounds. Nevertheless, proper wound care remains further support healing for optimal cosmesis. Consider that, in some cases, aesthetic physicians are creating controlled wounds with the intention to revise existing scars, and the need to support wound healing becomes evident.

For dermatologists, wound care generally is focused on post-surgical management for biopsy and excision sites or post-procedural sloughs following energy-based procedures or peels. As home skincare for excision or Mohs micrographic surgery is not common. However, many patients interested in aesthetic procedures are advised to implement a skincare routine in advance of the procedure. In the aesthetic patient, retinoids and related compounds, botanical ingredients, growth factors, and antioxidants may be recommended individually or in combination, depending on the patient, the procedure, and the physician preference.

Increasingly, evidence suggests that the care o immediately before a surgery or procedure and healing phase can have important effects on hea comes. For years, dermatologists have relied on a removal" options for post-procedural skincare aspects to cleanse the skin immediately before a particulars are commonly, immediately after a proc or topical antibiotic ointments to reduce the ris Emerging evidence and experience suggests that may not be ideal.

The antiseptic preparations most commonly surgery in the US are iodopovidone and chlorhe Iodopovidone dyes the clothing and the hair. Th and associated irritation are reasons for some pa Chlorhexidine can be toxic to tissues, especially Therefore, procedural dermatologists have grow concerned about its use. However, chlorhexidine can practical benefits over betadine, and, at low has been an important option. Chlorhexidine pr hours—perhaps up to 72 hours—of antimicrob it can endure being washed with blood or fluids.

Use of topical antibiotic preparations for wou increasingly unpopular, due to concerns about t ment of bacterial resistance. Furthermore, topica cumber no activity against yeasts that reside on th may infect wounds. Additionally, some topical a formulations are associated with risks for allergic dermatitis. The associated inflammation in the w detrimental to wound healing and may contribu erosion, hypergranulation, or hypopigmentatio

Alternative approaches to wound managemen tion prevention have been emerging. The use of rich plasma (PRP), which is increasingly being ad

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REVIEW ARTICLE

WILEY

Hypochlorous acid gel technology—Its impact on postprocedure treatment and scar prevention

Michael H. Gold MD, FAAD[1,2,3,4] | Annelie Andriessen PhD[5] | Steven H. Dayan MD[6] | Sabrina G. Fabi MD[7] | Z. Paul Lorenc MD, FACS[8,9] | Meagan-Helen Henderson Berg MDCM[10]

Summary

Background. A pre-and postprocedure regime aimed at prevention of infection, reduction of inflammation and risk of scarring, is to enable optimal outcomes.

Objectives. The role of a hypochlorous acid containing spray and translucent gel gel formulation that combines modified silicon oil with hypochlorous acid, was explored for pre- and postprocedures treatment and scar management.

Methods. For this purpose a literature review was conducted to explore the value of the technology used in pre-and postprocedural regimes. A panel of dermatologists and plastic surgeons who practice in the United States discussed the current-day wound-care results, taking into account their current clinical practice. A nominal group process for consensus was used, followed by online reviews of the manuscript.

Results. Based on panel discussions, consensus was reached regarding clinical recommendations given for postprocedure treatment and scar management. The hypochlorous acid products are produced with electrolysis and are classified among biocidal substances. The technology has demonstrated efficacy and safety for pre- and postprocedure use. The safety of hypochlorous solution use demonstrated to be comparable to that of standard local antiseptics. Small studies demonstrated better results with the scar gel compared to silicone gel regarding the appearance of hypertrophic and keloid scars, relief of associated pruritus and pain.

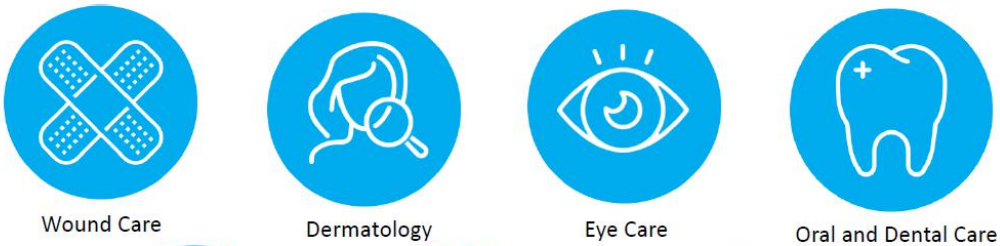
Conclusions. A postprocedure regime using this technology, aimed at preventing infection, reducing inflammation, and promoting healing is proposed to have benefits over current regimes as it appears to be effective, safe, and well tolerated.

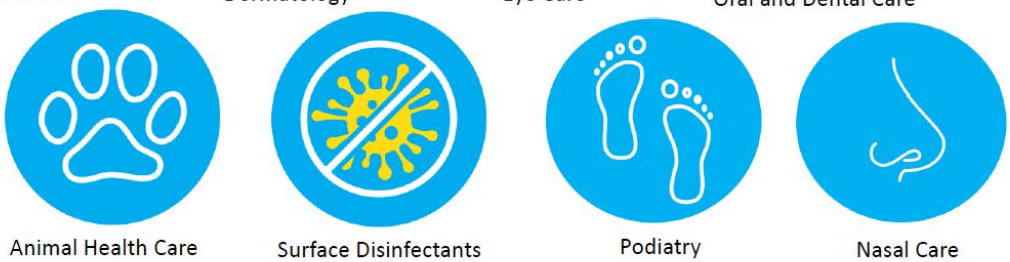
KEYWORDS

1 | INTRODUCTION



# Wide Range of Applications



## Our Wound Care Business is Growing in the U.S. and Internationally

- Celebrating **20 years** of selling wound care
- In August 2024, we added **Medline Industries, LP** as a U.S. distributor for our wound care products – Medline is one of the largest medical supply distributors in the United States
    - In October 2024, we expanded our partnership with Medline to include distribution in Canada, and OTC wound care sales to retailers in both countries
- We sell wound care across Europe and added a new distributor for wound care in Ukraine in 2024
- Expanding Product Lines: including new options for our **Microcyn® Negative Pressure Wound Therapy Solution** product line.
- Product innovation: In June 2023, we announced a new application of our Microcyn® technology for intraoperative **pulse lavage irrigation treatment**.




## Industry-Leading Safe and Effective Dermatology Products

- Products to relieve symptoms of atopic dermatitis, reduce scarring, and for daily skin care
- Line of office dispense products targeting growing med spa market
- Eczema seal of approval
- All natural ingredients
- No harmful chemicals

- OTC, office dispense, and Rx products available
- Innovating packaging available including high end and cost competitive options
- Continual Product Innovation: Introduced Lumacyn™ Clarifying Mist in 2024, a daily toner formulated to reduce redness and manage blemishes by reducing infections.

## Expanded Eye Care Product Line

- Sonoma has the strongest FDA indications for eye care in the HOCl industry
- OTC and prescription eye care sold into multiples channels
- Strong CE Mark for eye care sales in the EU
- Animal health eye care sold in major chains including PetSmart and Tractor Supply







## Safety in Dermatology Products

Recently, there has been concern by dermatologists that popular **dermatology products** can form **benzene**, a known carcinogen.

- *Citizen petition by Valisure, LLC, an independent testing laboratory for pharmaceuticals, requested an FDA recall of certain over-the-counter and prescription dermatology products containing benzoyl peroxide.*
- *Testing by Valisure showed that benzoyl peroxide in dermatology products from major brands including **Proactiv**, **Clearasil**, and **CeraVe**, can form benzene, a known human carcinogen, at unacceptably high levels.*
- *Previous testing by Valisure has found unacceptably high levels of benzene in common hand sanitizers, as well as in **after-sun products** by brands such as **Hawaiian Tropic** and **Banana Boat**.*

Sonoma's products offer a safe yet highly effective alternative for consumers concerned with harmful ingredients in skin care products.

# Safety in Eye Care

The FDA has issued safety warnings for certain eye products after finding unsanitary conditions in the manufacturing facilities and positive bacterial test results from environmental sampling.

- *The warnings in October 2023 applied to eye drops by brands such as **CVS**, **Rite Aid**, **Target** and **Walmart**, which were then voluntarily recalled by the manufacturer.* [1]
- *Sonoma owns its own state-of-the-art manufacturing facility, used to manufacture all of its products subject to strict FDA guidelines.*
- *Sonoma's eye care products, like all of its products, are extremely safe, and contain all-natural ingredients with no cytotoxins.*

1. https://www.fda.gov/drugs/drug-safety-and-availability/fda-warns-consumers-not-purchase-or-use-certain-eye-drops-several-major-brands-due-risk-eye

Sonoma



# Robust U.S. and International Distribution Network

**OVER 40 GLOBAL PARTNERS AND GROWING**

We continue to:

- Expand our presence in new markets by replicating what works in existing markets
- Add new distribution partners and grow existing relationships
- Co-develop innovative new products with partners
- Work with partners to seek new approvals and certifications

AdvaMed Accel · compana PET BRANDS · dermo dacyn · DAEWOONG PHARMACEUTICAL CO.,LTD. · DYAMED BIOTECH · Gabriel Scientific · GEA PHARMACEUTICAL COMPANY · genetix · MEDLINE · MicroSafe · NuAngle · 寶利 PETAGON™ · sanfer® · TeArai BioFarma · 佑昇®

# CUTTING EDGE MANUFACTURING

Currently operating at 30% capacity with margin of approximately 35%

- 57,153 square foot state-of-the-art facility
- ISO 9001, ISO 13485 and cGMP certified
- MOH, KFDA, SFDA, KSA, TGA, EN, Biocide and numerous other national listings and approvals
- Shipping to over 55 countries, with multiple methods for shipments
- Highly trained staff of 162 employees
- Additional 11,840 square feet of overflow capacity

**Flexible operations capable of CUSTOM LABELING, SIZING, PACKAGING & DISPENSE MODES**

**High or small volume, large or small batch, delivered in 12 weeks**



# Manufacturing Facility











# Growth Strategy

**Continue to introduce new high margin products**

- Launch new applications of Sonoma's Microcyn® technology for consumer-focused products, including in the dermatology and aesthetic space

**Manufacturing capabilities can support significant future growth, leading to improved margins overall**

- Efficient, flexible and FDA-regulated manufacturing facility currently operating at only 30% capacity
- Seek new manufacturing customers to utilize overflow space

**Expand Rx and OTC reach in U.S.**

- Increase sales of dermatology products through the direct dispense model that generates Sonoma's highest margins
- Increase direct-to-consumer marketing in niche markets
- Seek retail partners for OTC products
- Expand eye care marketing for Rx and OTC

**Invest in R&D to expand commercialization opportunities**

- Seek additional regulatory clearances for expanded indications
- Introduce new technology to new markets
- Fully commercialize robust pipeline of new products via direct-to-consumer sales or distribution partnerships



# New Market Opportunities

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

- The global **eye care** market size was estimated at USD $70.78 billion in 2023 and is projected to grow at a compound annual growth rate (CAGR) of 6.72% from 2024 to 2030.[1]
- The global **natural skin care** products market size was valued at $6.7 billion in 2021 and is expected to expand at a CAGR of 6.6% from 2022 to 2030.[2]
- The global **medical spa** market size was estimated at USD 18.6 billion in 2023 and is expected to grow at a CAGR of 15.13% from 2024 to 2030.[3]
  - North America dominated the medical spa market with a share of 41.1% in 2023, due to higher expenditure on wellness tourism than other regions.[4]
- The global **animal health** market size was valued at USD 62.40 billion in 2023 and is projected to grow at a CAGRof 9.0% from 2024 to 2030.[5]

1. Grand View Research, *Eye Care Market Report, 2024-2030*, available at https://www.grandviewresearch.com/industry-analysis/eye-care-market-report
2. Grand View Research, *Natural Skin Care Products Market Report, 2022-2030*, available at https://www.grandviewresearch.com/industry-analysis/natural-skin-care-products-market
3. Grand View Research, *Medical Spa Market Size, Share & Growth Analysis Report 2024-2030*, available at https://www.grandviewresearch.com/industry-analysis/medical-spa-market
4. *Ibid.*
5. Grand View Research, *Animal Health Market Size & Share Report, 2024-2030*, available at https://www.grandviewresearch.com/industry-analysis/animal-health-market

# Recent Business Developments

## Introduction of new products using our Microcyn® technology

- In September 2024, we announced the consumer-friendly redesign of **Ocucyn® Eyelid & Eyelash Cleanser**.
- In April 2024, we announced expansion of our **Microcyn® Negative Pressure Wound Therapy Solution** product line, now available in 250mL, 450mL and 990mL sizes to meet the diverse needs of healthcare professionals and patients.
- In January 2024, we launched **Lumacyn™ Clarifying Mist**, a new direct-to-consumer skincare product in the United States. Lumacyn is an all-natural daily toner formulated with Microcyn® technology to soothe the skin and relieve irritation.
- In June 2023, we announced a new application of our Microcyn® technology for **intraoperative pulse lavage irrigation treatment**, which can replace commonly used IV bags in a variety of surgical procedures. It is in trial use by hospitals in Europe and launched in the U.S. in November 2023.
- Our **MicrocynAH®** products are now available through **Pets at Home**, with over 450 stores across the UK, through our partner **Compana Pet Brands**
  - In May 2024, we announced expansion of our MicrocynAH® animal health care products in the **Menards®** chain of home improvement stores in the United States, through **Compana Pet Brands**.
- In April 2023, we launched **Podiacyn™ Advanced Everyday Foot Care** direct to consumers for over-the-counter use in the United States.



# Recent Business Developments

## Expanding commercialization opportunities by investing in R&D

- In September 2024, we received a **new 510(k) clearance** from the FDA, including specific over-the-counter indications for the face, eyelid and eyelashes and a smaller product size.
- In March 2023, we announced new EPA claims for **Nanocyn® Hospital-Grade Disinfectant** for effective use against **MRSA**, **Salmonella**, **Norovirus**, **Poliovirus**, and as a **fungicide**. Nanocyn was previously approved for use against **COVID-19** as well as emerging pathogens including **Ebola virus**, **Mpox**, and **SARS-CoV-2**. Nanocyn also received the esteemed **Green Seal® Certification** after surpassing a series of rigorous standards that measure environmental health, sustainability and product performance.
  - In August 2024, the Australian TGA approved new claims for use against **C. auris** and **C. diff.**
- **Reliefacyn® Advanced Itch-Burn-Rash-Pain Relief Hydrogel** was awarded the **NATIONAL ECZEMA ASSOCIATION SEAL OF ACCEPTANCE™**
- A recent publication in the journal *Neurourology and Urodynamics* highlighted the potential for **Microdox®** in the management of urinary tract infections, or UTIs, in children with neurogenic or non-neurogenic bladder dysfunction, concluding that multi-center trials are needed.[1]

1. Singh G-K, Deshpande A, Schlegel G, Starkey M, Taghavi K. The rationale for bladder washouts in children with neurogenic bladder. Neurourol Urodyn. 2024;1-6. doi:10.1002/nau.25450

# Recent Business Developments

## Continuously expanding our distributor network

- In August 2024, we announced a new distribution agreement with **Medline Industries, LP** for the marketing and distribution of our wound care products in the **United States**.
  - In October 2024, we expanded our agreement with Medline for marketing and distribution of our wound care products in **Canada**, and the sale of OTC wound care products to retailers in both countries.
- In July 2024, we announced a new distribution agreement with **Smart Healthcare Company** for wound care in **Ukraine**.
- In April 2023, our partner **Te Arai BioFarma Limited** launched **BabySoothe** for diaper rash applications in **Taiwan**.
  - In April 2024, Te Arai launched **Microdacyn** for wound care in **Taiwan**.
- Our partner **Microderm Technologies** recently launched **Dermodacyn** for wound care applications in **Thailand**.
- Our partner **Brill Pharma SL** is now selling Sonoma's eye care products in **Italy**, **Spain**, **Portugal** and **Germany**.
- In January 2023, we entered into a distribution agreement with **Daewoong Pharmaceutical Co., Ltd.**, one of the largest pharmaceutical companies in **South Korea**, for marketing and distribution of **Primocyn™ Skin Solution** products



# Management

**Amy Trombly**
**CEO**
Amy Trombly is our Chief Executive Officer and also serves on our Board of Directors. She counseled public companies for over two decades in corporate and securities law and mergers and acquisitions, including as the owner and manager of Trombly Business Law, PC. In her earlier career, Ms. Trombly was a Vice President at State Street Bank and Special Counsel at the U.S. Securities and Exchange Commission. Ms. Trombly is a member of the bar in Massachusetts and Colorado.

**Bruce Thornton**
**COO**
Bruce Thornton has served as our Chief Operating Officer, Vice President of Global Operations, and US General Manager since 2004, and currently as Executive Vice President and Chief Operating Officer. He served as Vice President of Operations for Jomed (formerly EndoSonic Corp.) from January 1999 to September 2003, and as Vice President of Manufacturing for Volcano Therapeutics, an international medical device company, following its acquisition of Jomed, until March 2004. Mr. Thornton received a B.S. in Aeronautical Science from Embry-Riddle Aeronautical University and an M.B.A. from National University. He also has served in the US Army.

**Jerry Dvonch**
**CFO**
Mr. Dvonch serves as our Chief Financial Officer. He joined us from the SpineCenter Atlanta where he was the controller and Senior Vice President of Finance and Accounting since March 2017. From March 2016 to April 2016 he was a consultant controller for DS Healthcare Group, Inc. Prior to that he was the director for external reporting and director of finance of NeoGenomics Laboratories from July 2005 to July 2015. He has over 10 years of experience with SEC reporting. Mr. Dvonch is a licensed Certified Public Accountant in New York. He holds a Master of Business Administration in Finance from the University of Rochester and a Bachelor of Business Administration in Accounting from Niagara University.

# Key Financial Metrics

***Year ended March 31, 2024 -***

- **Gross profit margin improved 3%** in FY 2024 compared to FY 2023
- **Net loss improved 6%** in FY 2024 compared to FY 2023

***Three months ended June 30, 2024 -***

- **European revenues increased 20%** compared to same period in 2023
- **Gross margin of 39%** compared to 35% in same period in 2023
- **Net loss improved 19%** compared to same period in 2023



# APPENDIX: Product Portfolio

# Diverse Product Portfolio

## United States

**Reliefacyn**
Itch, Burn, Rash & Pain Care

**Regenacyn**
Scar Gel

**Podiacyn**
Everyday Foot Care

**Lumacyn**
Clarifying Mist

**Microcyn Rx**
Skin & Wound Care

**Acuicyn**
Eyelid & Eyelash Hygiene

**Nanocyn**
Hospital Grade Disinfectant

**Ocucyn**
Eyelid & Eyelash Cleanser

**Pediacyn**
Skin Care & First Aid for Children

**Microcyn OTC**
Wound & Skin Cleanser

**Rejuvacyn**
Skin Repair

**Lasercyn**
Dermal Spray

**Epicyn**
Facial Cleanser

**Levicyn**
Dermal Spray and Gel

**Celacyn**
Scar Management Gel



# U.S. Dermatology





- Office dispense products exclusively for skin care professionals
- Generates highest margins for Sonoma
- Focused marketing to med spas and dermatology offices, which can resell products to their clients for a substantial margin

# U.S. 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**, **Tractor Supply**, **Cabela's**, **Bass Pro Shops** and **Menards**.

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

Sonoma Pharmaceuticals



# 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

**Pediacyn®**
Dermatology

Atopic Dermatitis

Microdacyn60®
Wound Care

MicrocynAH®
Animal Health Care

Sonoma Pharmaceuticals

# Direct-to-consumer products available through Shopify, Amazon and Amazon EU


**U.S. Products**



**EU Products**




## Middle East

**Microdacyn**
Wound Care

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


**Microsafe**
Disinfectant & Sanitizer


Sonoma

# Asia

**Singapore, Malaysia, Thailand, Indonesia**

**China**

Microcyn

**Hong Kong**

Microdacyn60 Oral Care

**South Korea**

BioDerm Wound Care

Biodacyn60

**The Philippines**

Microdacyn

**MicrocynAH®**

Sonoma



# Latin America

**Celacyn**

Scar Management Gel


**Gramacyn**

Kit for Acne Skin


# Australia & New Zealand

**Microdacyn**

Surgical Irrigation and Wound Treatment

**Epicyn**

Treat Scars Right from the Start

**Microdox**

Super-Oxidised Solution Bladder & Catheter Rinse

Sonoma

# THANK YOU

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Sonoma PHARMACEUTICALS

**NASDAQ: SNOA**