

Sonoma Pharmaceuticals, Inc.

Investor Presentation
October 2024



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Sonoma

About Sonoma

Sonoma Pharmaceuticals is a global healthcare leader for developing and producing stabilized hypochlorous acid (HOCI) 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 HOCI 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 HOCI, 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

- · HOCI 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

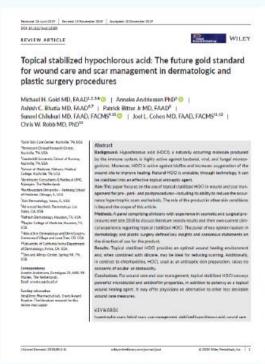
- · Strong U.S. and international regulatory portfolio
- Longer shelf life than most competitors while retaining efficacy
- Available in solution, hydrogels and in combination with silicone for scar treatment
- White label available with custom packaging and design
- Established Microcyn® brand
- · State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

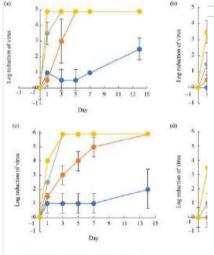




Over 100 research articles and case and clinical studies showcasing both the efficacy and safety of our Microcyn® technology

COVER FOCUS





Download : Download high-res image (577KB) Download : Download full-size image

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

Optimizing Wound Healii for Cosmetic and Medica Dermatologic Procedures

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

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

ultiple 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 etadication of parhoneoic hacteria and biofilm. Second, noticial wound or pathogenic outcase and bearins, seconds opinion wound haufler greaters are excellent blood supply and proper org-goration. Finally, the proper immunological healing factors must be present in order for the wound to heal. What these optimal healing "persent" in place, the outcome is minimal. scarring, rapid healing, and good structure and function of the

Physicians who perform anothesic percedures especially energy-based treatments or injections are particularly focus on repid healing minimum pain, minimum down time, and optimal appearance. A controlled wound, as created with these took and technologies, is associated with improved healing compared to uncontrolled or traumatic visuads. mining congulates to incontrasted or transmiss volunts. Nevertheless, proper wound care series to further support healing for optimal convexis. Consider thus, in some cases, see that physicians are creating controlled wounds with the intention to revise obtaing scan, and die need so support. wound healing becomes evident.

For demandiopits, wound care generally is focused on nor communicacy we can care generally is becased on ports surgion in management for beyon well excision sites or ports procedural stimutes in lowering mengy-based procedures or peets. An-home skin prep for excisions or Micha micro-graphic surging is not common. However, many grateries interested in cestificitic procedures are advised to implement a stancare routine in advance of the procedure. In the anotheric patient, retinoids and related compounds, bostorical ingredients growth factors and antioxidants may be recommended individually or in combination, deponding on the putions, the procedure, and the physician preference.

Increasingly, evidence suggests that the care of healing phase can have important effects on hea septics to cleanse the sent information by before petrolature circonnects immediately after a pro-or topical antibiotic circonnects to reduce the re-Emerging evidence and experience suggests then may not be ideal.

surgery in the US are indepovidons and chiom-

Chlorheoidine can be took to tissues especially t concerned about its use. However, chlorhesidin tain practical benefits over betadine, and at least tain practical terretts over betading, and at least has been an important option. Only freeding pr house—perhaps up to 72 hours—of actimicrobs it can enclure being washed with blood or flates. Use of topical anotheric preparations for your increasingly unpopular, due to concerns about it ment or bactorial resource; runnament, copie; center no activity against years that make on it may intect wounds. Additionally, some appeal a formulations are associated with risks for allegal demostris. The associated informulation in the v determental to wound healing and may contrib

mation, hyperplementation, or hypoplementati Alternative approaches to wound managemention provention have been energing. The use of rich planna (PEP), which is increasingly being ad-

REVIEW ARTICLE

Hypochlorous acid gel technology---lts impact on postprocedure treatment and scar prevention

Michael H. Gold MD, FAAD^{1,2,3,4} Anneke Andriessen PhD 6 | Steven H. Dayan MD⁶ | Sabrina G. Fabi MD⁷ | Z. Paul Lorenc MD, FACS^{6,9} | Meagan-Helen Henderson Berg

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"Solution of Musical Security School of Security *Authorison Committee in Redisord Mon Najmager, The Netherlands *Departmented Disdarguings, Dislates Scient Redis and Personnerium Sustan, University of Hamis, Chicago, N., 1959 *Committee Calent Stationage, San Chique CA 1554.

Conego-ethoco Dr Annalio Anchicasin, Zwenigne Zi, 6081 95 Muller, Tie N etherlanis. Micro presidentiale

Background: A pre-and postprocedure regime aimed at prevention of infection. reduction of inflammation and risk of scarring, is to wable optimal outcomes Objectives: The role of a hypothlorous add containing spay and translacent sca sell formulation that combines modified silicon oil with hypothlogus acid, was proloned for pre- and produce capture treatment and soar management.

Methods: For this purpose a Moniture review was conducted to explore the value of the technology used in pre-and postpological regimes. A panel of derivatolorised search results, taking into account their current clinical practice. A nominal group process for consensus was used, followed by online reviews of the manu-

Readty: Based on some discussions consenue was marked receiving titrical repremandations given for postprocedure treatment and soor management. The hypochloreus add products; are produced with electrolysis and are classified amon blockful advetoces. The technology has demonstrated afficury and safety for maand postprocedure use. The safety of hypochilorous solution use demonstrated to be compatible to that of standard local assistation Small studies demonstrate better results with the scar will compared to slicory sel regarding the appearance of hypertrophic and letoid acars, rolef of associated pruntus and gain.

Conductors A automorphic some using this technology, amen'nt proventing efection, reducing inflammation, and promoting healing is proposed to have been The over current regimes as it appears to be effective, sale, and well tolerated.

1 INTRODUCTION

Childre concerns over pre-and postprocedure care and scar manfeeding recommend and reference nationary. Our instance bettern used Scool may decrease the risk of behavior and codeduc angular

exactivate harries and other toyaline outleases, within the higheffects." A HOCL containing spray or super-oxidated solution for

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 <u>Valisure</u>, 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 <u>Valisure</u> 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 <u>Valisure</u> 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.

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



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









dermo









DAEWOONG







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



Microcyn

Technology

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

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. Dyonch 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



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.



EU Products

Solutions that work naturally for everybody



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





















EU Products







Middle East

Microdacyn

Wound Care





















Disinfectant & Sanitizer











Asia

Singapore, Malaysia, Thailand, Indonesia



China Microcyn



Hong Kong

Microdacyn60 Oral Care



South Korea

BioDerm Wound Care



Biodacyn60

The Philippines Microdacyn



MicrocynAH®





Latin America

Australia & New Zealand

Celacyn

Scar Management Gel



Gramacyn

Kit for Acne Skin



Microdacyn

Surgical Irrigation and Wound Treatment

Epicyn

Treat Scars Right from the Start

Microdox

Super-Oxidised Solution Bladder & Catheter Rinse









THANK YOU

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