Sonoma Pharmaceuticals, Inc.

Investor Presentation April 9, 2024





INVESTOR PRESENTATION

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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.

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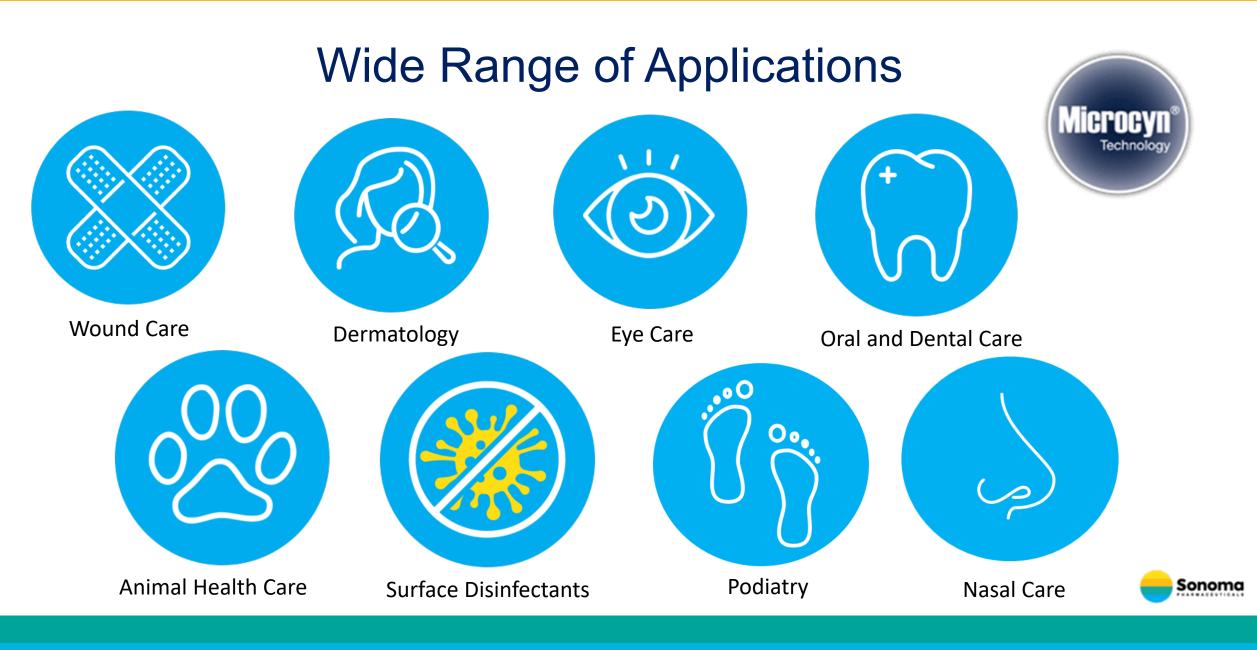
About Sonoma

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 and the company actively seeks new distribution partners.

Investment Highlights





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



Microcvn

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

Commercially Competitive

- 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 with pharmaceutical-grade water system



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 **Neutrogena**.

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

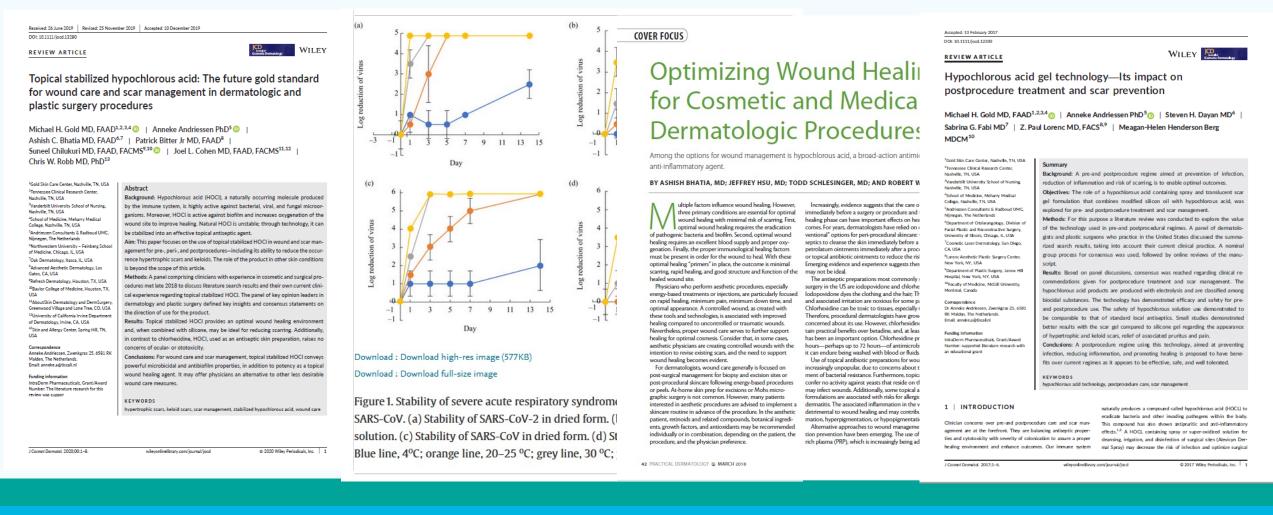
Safety in Eye Care

The FDA recently issued safety warnings for certain eye products after finding insanitary 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 and 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. <u>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</u>



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



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
- Highly trained staff of 162 employees

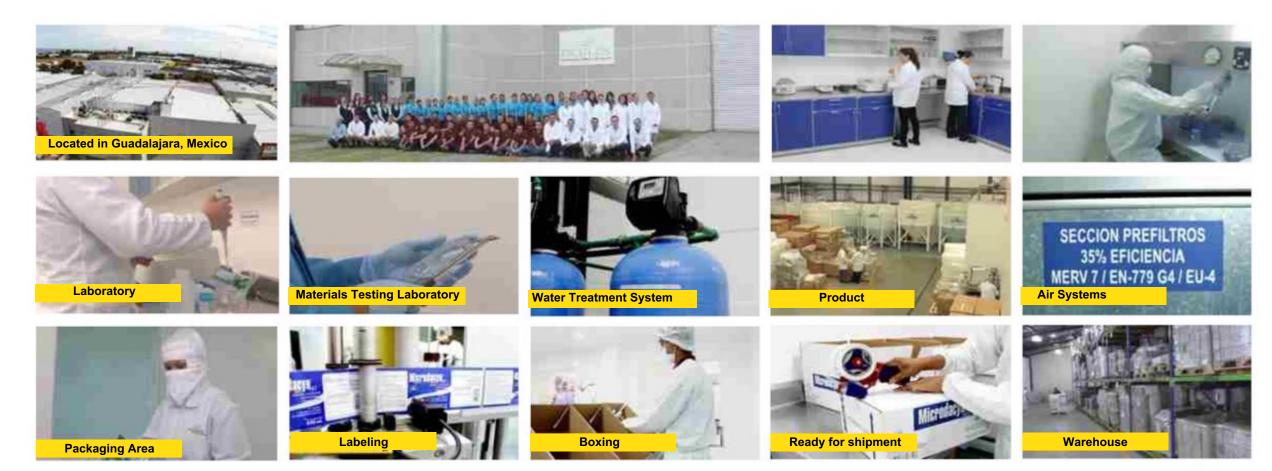
Flexible operations capable of CUSTOM LABELING, SIZING, PACKAGING & DISPENSE MODES

High or small volume, large or small batch, delivered in 8-12 weeks





Manufacturing Facility





Robust International Distribution Network

OVER 40 GLOBAL PARTNERS generating strong revenues internationally and in the U.S.

- Expand presence in new markets by replicating what works in existing markets
- Continue to add new distribution partners and grow existing relationships
- Continue co-development of innovative new products with partners in the U.S. and internationally
- Work with partners to seek new approvals and certifications



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

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

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

Invest in R&D to expand commercialization opportunities

- 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 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 expands 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-careproducts-market

^{2.} Grand View Research, *Medical Spa Market Size, Share & Growth Analysis Report 2030*, available at https://www.grandviewresearch.com/industry-analysis/medical-spamarket 3. *Ibid.*

^{4.} Grand View Research, Animal Health Market Size & Share Report, 2022-2030, available at https://www.grandviewresearch.com/industry-analysis/animal-health-ma

Recent Business Developments

Introduction of new products using our Microcyn[®] technology

- On April 9, 2024, Sonoma announced expansion of its <u>Microcyn® Negative Pressure Wound Therapy Solution</u> products line, now available in 250mL, 450mL and 990mL sizes to meet the diverse needs of healthcare professionals and patients.
- On January 23, 2024, Sonoma 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.
- On January 5, 2024, Sonoma entered into an agreement with NovaBay Pharmaceuticals, Inc. for the sale and marketing of Avenova®-branded products in the European Union, based on Sonoma's existing eye product Ocudox® and sold through Sonoma's established European distribution network.
- On June 8, 2023, Sonoma announced a new application of its 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.
- On April 11, 2023, Sonoma 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 March 2023, Sonoma announced new EPA claims for its 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.
- 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

- Entered into a distribution agreement with Daewoong Pharmaceutical Co., Ltd., one of the largest pharmaceutical companies in South Korea, in January 2023 for the marketing and distribution of Primocyn[™] Skin Solution products
- Sonoma's Microcyn[®] Rx products, including wound care, prescription dermatology products Celacyn[®] and Levicyn[®], and prescription eye care Acuicyn[®], received a Distribution and Pricing Agreement (DAPA) in January 2023 for distribution by the Defense Logistics Agency (DLA), enabling our partner, EMC Pharma, LLC to enter into distribution agreements for these products with federal customers
- 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 and Portugal and recently launched in Germany
- Our MicrocynAH® products are now available through Pets at Home, with over 450 stores across the UK, through our partner Manna Pro Products, LLC



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.

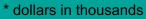
Jerry Dvonch CFO

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

	Nine Months Ended	Nine Months Ended	Year Ended	Year Ended
	December 31, 2023* (unaudited)	December 31, 2022* (unaudited)	March 31, 2023*	March 31, 2022*
Total Revenues	\$9,296	\$10,258	\$13,272	\$12,628
Gross Profit	\$3,654	\$3,613	\$4,477	\$3,993
Operating Expenses	\$6,946	\$7,036	\$9,047	\$9,880
Net Income (Loss)	\$(3,768)	\$(3,843)	\$(5,151)	\$(5,086)
EBITDA loss	\$(1,985)	\$(1,597)	\$(3,776)	\$(5,318)
Cash & Cash equivalents	\$2,406	\$2,634	\$3,820	\$7,396
Working capital	\$9,428	\$7,298	\$10,081	\$10,611
Shareholders' Equity	\$6,692	\$5,559	\$7,977	\$8,697



Sonoma

Revenue Metrics

Revenues by revenue source:

	Ni	ne Months Eı December 3				Year Ende March 31,		
-	2023		202	22	2023		202	22
Human Care	\$	7,286	\$	7,050	\$	9,426	\$	9,010
Animal Care		1,688		1,957		2,500		3,169
Service and Royalty		322		1,251		1,346		449
	\$	9,296	\$	10,258	\$	13,272	\$	12,628
Revenues by geographic region:								
	Niı	Nine Months Ended December 31,			Year Ended March 31,			
	2023	2023 2022		2023		202	22	
United States	\$	2,214	\$	2,603	\$	3,428	\$	3,807
Europe		3,488		3,117		4,051		3,410
Asia		1,730		1,952		2,451		2,350
Latin America		1,165		1,827		2,383		2,095
Rest of the World		699		759		959		966
Total	\$	9,296	\$	10,258	\$	13,272	\$	12,628

* in thousands



APPENDIX: Product Portfolio



Diverse Product Portfolio United States

Itch, Burn, Rash & Pain Care





Regenacyn

Scar Gel

Ocucyn **Eyelid & Eyelash** Cleanser



Pediacyn Skin Care & First Aid for Children



Podiacyn **Everyday Foot Care**



Microcyn OTC Wound & Skin Cleanser

crocy



Rejuvacyn

Skin Repair

Microcyn Rx

Skin & Wound Care

Acuicyn **Antimicrobial Eyelid** & Eyelash Hygiene



Epicyn Antimicrobial

Facial Cleanser

Levicyn **Antimicrobial Dermal Spray**

Celacyn Scar **Management Gel**



Nanocyn **Hospital Grade**

Disinfectant



Lumacyn[™] Clarifying Mist introduced January 2024

 New high-end direct to consumer skincare product for daily management of skin irritations



U.S. office dispense products exclusively for skin care professionals

hth Repe	inacyn Plus Scar Managment Hydrogel Yo bye To Scars With 3 Simple Steps	lu Cận	
30	Step 1 Clean skin and surrounding areas		Sonoma
•	Step 2	1	Regenacyn* — PLUS — Stor Monogenear Martinegol
9	Apply thin layer of hydrogel to affected area	•	1
	Step 3 Gently massage	Regenocym	Edus Strength
•	into the scar		





- 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 and Bass Pro Shops.





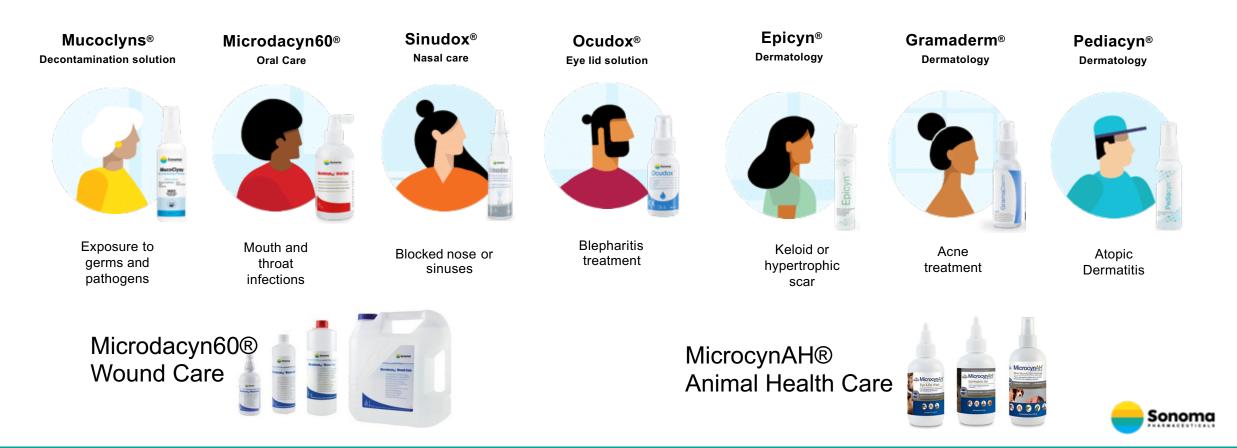
MicrocynVS® veterinarian-strength animal

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







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















China Microcyn



The Philippines

Microdacyn



Hong Kong Microdacyn60 Oral Care



MicrocynAH





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NASDAQ: SNOA