

June 17, 2025



Sonoma Pharmaceuticals Reports Fiscal Year and Fourth Quarter 2025 Financial Results

- *Revenues increased 9% in Q4 2025 compared to Q4 2024, and 12% in FY 2025 compared to FY 2024*
- *Net loss improved 27% in Q4 2025 compared to Q4 2024, and 29% in FY 2025 compared to FY 2024*
- *EBITDA loss improved 59% in Q4 2025 compared to Q4 2024, and 17% in FY 2025 compared to FY 2024*

BOULDER, CO / [ACCESS Newswire](#) / June 17, 2025 / Sonoma Pharmaceuticals, Inc. (NASDAQ:SNOA), a global healthcare leader developing and producing patented Microcyn[®] technology-based 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, today announced financial results for fiscal year 2025 and the fourth quarter ended March 31, 2025.

"We are very pleased to report the results of our 2025 fiscal year and fourth fiscal quarter, which show continued revenue growth and consistent progress towards profitability," said Amy Trombly, CEO of Sonoma. "The successful transitioning of our products to the new Medical Device Regulation in the EU, well ahead of the 2028 deadline, and the registration of our products with the MHRA in the United Kingdom represent significant achievements for the Sonoma. We believe the strategic expansion of our sales and distribution network in the U.S. and internationally, supported by aggressive pursuit of worldwide regulatory approvals in new markets, is a winning formula."

Recent Business Highlights

Sonoma continued to expand regulatory approvals for its products, grow its distribution network, and expand its product offerings:

- Sonoma successfully transitioned all of its commercialized products in Europe to the new European Union (EU) Medical Device Regulation (MDR) ahead of the deadline for compliance, including its eye care, wound care, scar gel, acne, and atopic dermatitis products.
- Sonoma's manufacturing facility and five of its products were successfully registered with the Medicines & Healthcare products Regulatory Agency (MHRA) in the United Kingdom, including its wound irrigation solution, scar management products, wound hydrogel, and skin exfoliant.

- In April 2025, Sonoma launched the sale of its hypochlorous acid-based acne products in over 1,200 stores in the United Kingdom through a leading U.K. health and beauty retailer and pharmacy chain.
- In March 2025 and June 2025, Sonoma expanded its recent partnership for the sale of Microcyn technology-based products to large retailers in the United States to include additional consumer-focused products.
- In April 2025, Sonoma received regulatory approval for the sale of its wound care products in Ukraine as a Class IIb medical device.

Results for the Quarter Ended March 31, 2025

Total revenue of \$3.8 million for the fourth quarter ended March 31, 2025 increased by \$0.4 million, or 9%, from \$3.4 million for the same period last year. This increase was primarily due to increased revenues in Europe and Latin America, partially offset by a decline in U.S. revenue due to fluctuations in demand for over-the-counter animal health care products and decreased revenues in Asia due to timing of customer orders.

During the quarter ended March 31, 2025, Sonoma reported cost of revenues of \$2.2 million resulting in total gross profit of \$1.5 million, or 41% of total revenue, compared to a gross profit of \$1.1 million, or 32% of total revenue, in the same period last year.

Total operating expenses during the fourth quarter of fiscal year 2025 were \$2.2 million, down \$0.3 million, or 13%, as compared to the same period in the prior year. This decrease was primarily due to ongoing efforts to contain expenses across all parts of the company.

Net loss for the fourth quarter of fiscal year 2025 was \$0.8 million, down by \$0.3 million, or 27%, compared to the same period last year. EBITDA loss for the fourth quarter of fiscal year 2025 of \$0.5 million was down by \$0.8 million, or 59%, compared to an EBITDA loss of \$1.3 million for the same period last year.

As of March 31, 2025, Sonoma had cash and cash equivalents of \$5.4 million.

Results for the Year Ended March 31, 2025

Total revenues for the year ended March 31, 2025 of \$14.3 million increased by \$1.6 million as compared to \$12.7 million for the year ended March 31, 2024. The increase in revenue was driven primarily by increased revenues in Europe and Latin America, partially offset by a decline in U.S. revenue due to fluctuations in demand for over-the-counter animal health care products.

For the year ended March 31, 2025, Sonoma reported total revenues of \$14.3 million and total cost of revenues of \$8.8 million, resulting in total gross profit of \$5.5 million, or 38% of total revenues, compared to a gross profit of \$4.7 million, or 37% of total revenues, for the same period in the prior year.

Total operating expenses during fiscal year 2025 were \$9.2 million, down \$0.3 million, or 3%, as compared to the same period in the prior year. This decrease was primarily due to ongoing efforts to contain expenses across all parts of the company.

Net loss during fiscal year 2025 was \$3.5 million, down \$1.4 million, or 29%, compared to the same period last year. EBITDA loss for fiscal year 2025 of \$3.3 million was down \$0.7 million, or 17%, compared to an EBITDA loss of \$4.0 million for the same period last year.

About Sonoma Pharmaceuticals, Inc.

Sonoma Pharmaceuticals is a global healthcare leader for developing and producing stabilized hypochlorous acid (HOCl) products for a wide range of applications, including wound care, eye care, nasal care, oral care, dermatological conditions, podiatry, animal health care and non-toxic disinfectants. The company'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. The company's products are sold either directly or via partners in 55 countries worldwide and the company actively seeks new distribution partners. The company's principal office is in Boulder, Colorado, with manufacturing operations in Guadalajara, Mexico. European marketing and sales are headquartered in Roermond, Netherlands. More information can be found at www.sonomapharma.com. For partnership opportunities, please contact businessdevelopment@sonomapharma.com.

Forward-Looking Statements

Except for historical information herein, matters set forth in this press release are forward-looking within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements about the commercial and technology progress and future financial performance of Sonoma Pharmaceuticals, Inc. and its subsidiaries (the "company"). These forward-looking statements are identified by the use of words such as "continue," "reduce," "develop," "anticipate," "expect" and "expand," among others. Forward-looking statements in this press release 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 or fund further development, as well as uncertainties relative to fluctuations in foreign currency exchange rates, global economic conditions, prospective tariffs or changes to trade policies, 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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SONOMA PHARMACEUTICALS, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(In thousands, except share amounts)

	<u>March 31,</u> <u>2025</u>	<u>March 31,</u> <u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,374	\$ 3,128
Accounts receivable, net	2,232	2,898
Inventories, net	2,915	2,719
Prepaid expenses and other current assets	1,915	3,541
Current portion of deferred consideration, net of discount	212	262
Total current assets	<u>12,648</u>	<u>12,548</u>
Property and equipment, net	225	365
Operating lease, right of use assets	84	286
Deferred tax asset	589	1,145
Deferred consideration, net of discount, less current portion	73	330
Other assets	74	66
Total assets	<u>\$ 13,693</u>	<u>\$ 14,740</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 953	\$ 607

Accrued expenses and other current liabilities	2,224	2,113
Deferred revenue	641	478
Short-term debt	220	323
Operating lease liabilities, current portion	58	198
Total current liabilities	4,096	3,719
Deferred revenue, net of current portion	17	87
Withholding tax payable	5,142	4,710
Operating lease liabilities, less current portion	27	87
Total liabilities	9,282	8,603
Commitments and Contingencies		
Stockholders' Equity:		
Convertible preferred stock, \$0.0001 par value; 714,286 shares authorized at March 31, 2025 and 2024, respectively, no shares issued and outstanding at March 31, 2025 and 2024	-	-
Common stock, \$0.0001 par value; 50,000,000 and 24,000,000 shares authorized at March 31, 2025 and March 31, 2024, respectively, 1,634,265 and 780,371 shares issued and outstanding at March 31, 2025 and March 31, 2024, respectively	-	-
Additional paid-in capital	206,593	203,209
Accumulated deficit	(197,806)	(194,349)
Accumulated other comprehensive loss	(4,376)	(2,723)
Total stockholders' equity	4,411	6,137
Total liabilities and stockholders' equity	\$ 13,693	\$ 14,740

SONOMA PHARMACEUTICALS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands, except per share amounts)

	Three Months Ended March 31,		Year Ended March 31,	
	2025	2024	2025	2024
	(Unaudited)			
Revenues	\$ 3,754	\$ 3,439	\$ 14,288	\$ 12,735
Cost of revenues	2,226	2,348	8,823	7,990
Gross profit	1,528	1,091	5,465	4,745
Operating expenses				
Research and development	411	409	1,814	1,871
Selling, general and administrative	1,773	2,091	7,361	7,575
Total operating expenses	2,184	2,500	9,175	9,446
Loss from operations	(656)	(1,409)	(3,710)	(4,701)
Other income (expense), net	128	50	803	(330)
Loss before income taxes	(528)	(1,359)	(2,907)	(5,031)
Income tax (expense) benefit	(248)	292	(550)	196
Net loss	\$ (776)	\$ (1,067)	\$ (3,457)	\$ (4,835)
Net loss per share: basic and diluted	\$ (0.48)	\$ (1.39)	\$ (2.79)	\$ (10.63)
Weighted-average number of shares: basic and diluted	1,619	769	1,241	455
Other comprehensive loss				
Net loss	\$ (776)	\$ (1,067)	\$ (3,457)	\$ (4,835)
Foreign currency translation adjustments	178	100	(1,653)	695
Comprehensive loss	\$ (598)	\$ (967)	\$ (5,110)	\$ (4,140)

SONOMA PHARMACEUTICALS, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES
(In thousands)

(Unaudited)

	Three Months Ended March 31,		Year Ended March 31,	
	2025	2024	2025	2024
(1) Loss from operations minus non-cash expenses EBITDA loss:				
GAAP loss from operations as reported	\$ (656)	\$ (1,409)	\$ (3,710)	\$ (4,701)
Non-cash adjustments:				
Stock-based compensation	90	69	224	516
Depreciation and amortization	31	41	138	176
Non-GAAP loss from operations minus non-cash expenses EBITDA loss	<u>\$ (535)</u>	<u>\$ (1,299)</u>	<u>\$ (3,348)</u>	<u>\$ (4,009)</u>
(2) Net loss minus non-cash and one-time expenses:				
GAAP net loss as reported	\$ (776)	\$ (1,067)	\$ (3,457)	\$ (4,835)
Non-cash adjustments:				
Stock-based compensation	90	69	224	516
Non-cash foreign exchange transaction losses (gains)	162	199	(243)	825
Income tax expense (benefit)	248	(292)	550	(196)
Depreciation and amortization	31	41	138	176
Non-GAAP net loss minus non-cash expenses	<u>\$ (245)</u>	<u>\$ (1,050)</u>	<u>\$ (2,788)</u>	<u>\$ (3,514)</u>
(3) Operating expenses minus non-cash expenses				
GAAP operating expenses as reported	\$ 2,184	\$ 2,500	\$ 9,175	\$ 9,446
Non-cash adjustments:				
Stock-based compensation	(90)	(69)	(224)	(516)
Depreciation and amortization	(31)	(41)	(138)	(176)
Non-GAAP operating expenses minus non-cash expenses	<u>\$ 2,063</u>	<u>\$ 2,390</u>	<u>\$ 8,813</u>	<u>\$ 8,754</u>

(1) Loss from operations minus non-cash expenses (EBITDA) is a non-GAAP financial

measure. The Company defines operating loss minus non-cash expenses as GAAP reported operating loss minus operating depreciation and amortization, and operating stock-based compensation. The Company uses this measure for the purpose of modifying the operating loss to reflect direct cash related transactions during the measurement period. . Non-GAAP measures should not be considered a substitute for financial measures presented in accordance with GAAP. Non-GAAP measures are not always consistent across, or comparable with, non-GAAP measures disclosed by other companies.

(2) Net loss minus non-cash and one-time expenses is a non-GAAP financial measure. The company defines net loss minus non-cash expenses as GAAP reported net loss minus depreciation and amortization, stock-based compensation, income taxes, and non-cash foreign exchange transaction losses. The company uses this measure for the purpose of modifying the net loss to reflect only those expenses to reflect direct cash transactions during the measurement period. Non-GAAP measures should not be considered a substitute for financial measures presented in accordance with GAAP. Non-GAAP measures are not always consistent across, or comparable with, non-GAAP measures disclosed by other companies.

(3) Operating expenses minus non-cash expenses is a non-GAAP financial measure. The Company defines operating expenses minus non-cash expenses as GAAP reported operating expenses minus operating depreciation and amortization, and operating stock-based compensation. The Company uses this measure for the purpose of identifying total operating expenses involving cash transactions during the measurement period. . Non-GAAP measures should not be considered a substitute for financial measures presented in accordance with GAAP. Non-GAAP measures are not always consistent across, or comparable with, non-GAAP measures disclosed by other companies.

SONOMA PHARMACEUTICALS, INC. AND SUBSIDIARIES
REVENUE SCHEDULES
(In thousands)

The following table shows the Company's revenues by geographic region:

	Three Months Ended March 31,			
	2025	2024	\$ Change	% Change
	(Unaudited)			
United States	\$ 681	\$ 769	\$ (88)	(11 %)
Europe	1,580	1,293	287	22 %
Asia	485	568	(83)	(15 %)
Latin America	788	636	152	24 %
Rest of the World	220	173	47	27 %
Total	\$ 3,754	\$ 3,439	\$ 315	9 %
	Year Ended March 31,			
	2025	2024	\$ Change	% Change
United States	\$ 2,611	\$ 3,058	\$ (447)	(15 %)
Europe	5,523	4,781	742	16 %
Asia	2,317	2,298	19	1 %
Latin America	2,962	1,726	1,236	72 %
Rest of the World	875	872	3	0 %
Total	\$ 14,288	\$ 12,735	\$ 1,553	12 %

SOURCE: Sonoma Pharmaceuticals, Inc.

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