Sol-Gel
Advanced Topical Therapy

Sol-Gel's Technology

Proprietary Information of Sol-Gel Technologies Ltd. (“COMPANY”)

This document contains forward-looking statements. All statements other than statements of historical facts contained in this document, including statements regarding possible or assumed future results of operations, business strategies, development plans, regulatory activities, competitive position, potential growth opportunities, use of proceeds and the effects of competition are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause the COMPANY'S actual results, performance or achievements to be materially different from any future results, performance or achievements express or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "aim," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this presentation are only predictions. the COMPANY has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect the COMPANY'S business, financial condition and results of operations. These forward-looking statements speak only as of the date of this presentation and are subject to a number of risks, uncertainties and assumptions, some of which cannot be predicted or quantified and some of which are beyond the COMPANY'S control. The events and circumstances reflected in the COMPANY'S forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Moreover, the COMPANY operates in a dynamic industry and economy. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties that the COMPANY may face. Except as required by applicable law, the COMPANY does not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

This presentation is not an offer to sell securities of the COMPANY and it is not soliciting offers to buy securities of the COMPANY in any jurisdiction where the offer or sale is not permitted.

This presentation concerns product candidates that are or have been under clinical investigation and which have not yet been approved for marketing by the U.S. Food and Drug Administration, European Medicines Agency or other foreign regulatory authorities. These product candidates are currently limited by U.S. Federal law to investigational use, and no representations are made as to their safety or effectiveness for the purposes for which they are being investigated.

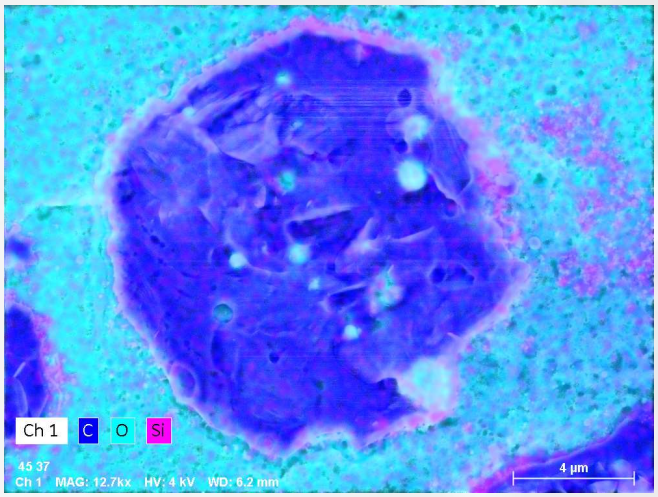
The Sol-Gel Microencapsulation Platform

Silica-based microencapsulation delivery system
allows to develop drugs that have the potential to be more effective and tolerable
than existing drugs without the need to introduce new chemical entities

Particle size and release rate are precisely tuned to allow efficient delivery of the entrapped API

Core/shell structure is designed to boost tolerability

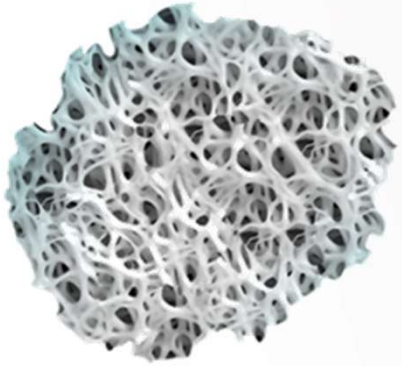
High encapsulation efficiency (>99%) allows improved stability



Cryo-SEM pictures of silica-based microcapsules

Sol-Gel Microencapsulation vs. Microsponge®

Microsponge®

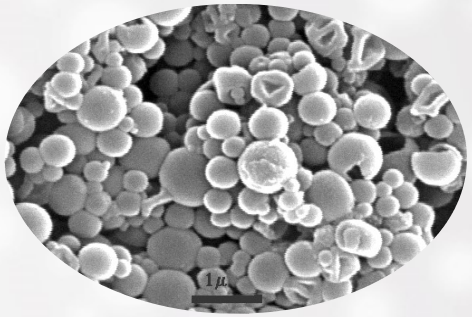


Tunnel structure of microsponge® delivery systm

- Only one encapsulation delivery technology, Microsponge®, approved by the FDA for topical drug products
- This was for Retin-A Micro® in 1997*, requiring the approval of a novel organic excipient (methyl methacrylate/glycol dimethacrylate cross-polymer porous microspheres)

* Three years later Carc® was approved using the same technology

Sol-Gel



Core-shell structure of Sol-Gel's delivery system

- Unlike Microsponge® for which the approval of a novel excipient was required, silica is approved by the FDA as a safe excipient for topical drugs
- The core-shell structure of Sol-Gel's delivery system allows a high load of drug substance and its modular construction enables a high degree of flexibility in tuning the drug's release rate