Foamix Reports Second Quarter 2018 Financial Results and Provides Corporate Update

August 8, 2018

Rehovot, Israel, August 8, 2018 – Foamix Pharmaceuticals Ltd. (NASDAQ: FOMX) ("Foamix" or the "Company"), a clinical stage specialty pharmaceutical company focused on developing and commercializing proprietary topical foams to address unmet needs in dermatology, announced today its financial results for the second quarter and six months ended June 30, 2018.

Clinical and Corporate Update:

- The final patient was enrolled and dosed in the third Phase 3 study (FX2017-22) investigating FMX101, the Company's minocycline foam 4%, in patients with moderate-to-severe acne.
    - Top-line results are expected in the third quarter of 2018.
- The final patient has been enrolled and dosed in two Phase 3 clinical studies (FX2016-11 and FX2016-12) evaluating the safety and efficacy of FMX103, topical minocycline foam 1.5%, for the treatment of papulopustular rosacea.
    - Top-line results are expected early in the fourth quarter of 2018.
- In April 2018, the Company raised net proceeds of approximately $16.1 million, through a direct registered offering of approximately 2.9 million shares at a price of $5.50 per share to OrbiMed Partners Master Fund Limited.

Cash & Investments
At June 30, 2018, the Company had $56.4 million in cash and investments compared to $76.4 million at December 31, 2017. During the second quarter, the Company raised net proceeds of $16.1 million, after deducting offering expenses, in a registered share offering with OrbiMed Partners Master Fund Limited. The Company believes that its existing cash and investments will be sufficient to fund operating expenses and capital expenditure requirements for the third Phase 3 clinical trial for FMX101 and NDA filing for FMX101, and for the two Phase 3 clinical trials for FMX103, which it expects to complete in 2019.

Financial Results for the Second Quarter Ended June 30, 2018
Revenues
Revenues for the second quarter of 2018 were $964,000 an increase of $166,000, or 20.8%, from $798,000 in the second quarter of 2017. The increase is due to an increase in royalty payments from Bayer for sales of Finacea® Foam (azelaic acid 15%).

Operating Expenses
Research and Development Expenses
Research and development expenses for the second quarter were $16.8 million, a $2.9 million, or 20.9%, increase from $13.9 million in the second quarter of 2017. The increase in R&D expenses resulted primarily from an increase of $3.0 million in costs relating predominantly to FMX101 and FMX103 clinical trials, and an increase of $688,000 in payroll and payroll-related expenses including share-based compensation primarily due to an increase in headcount and salary raises, off-set by a decrease of $1.0 million in compensation to one of the Company's co-founders in the second quarter of 2017.

Selling, General and Administrative Expenses
Selling, general and administrative expenses for the second quarter of 2018 were $2.9 million, a decrease of $542,000, or 15.5%, compared to $3.5 million in the second quarter of 2017. The decrease in selling, general and administrative expenses resulted primarily from a decrease of $1.2 million in compensation to one of the Company's co-founders in the second quarter of 2017, off-set by an increase of $280,000 in payroll and other payroll-related expenses including share-based compensation mostly due to an increase in headcount and salary raises, an increase of $360,000 in advisory and professional fees and an increase of $150,000 in rent, maintenance and office expenses.

Net Loss
For the quarter ended June 30, 2018, the Company recorded a net loss of $18.6 million, or ($0.46) per share, basic and diluted, compared with a loss of $16.4 million or ($0.44) per share, basic and diluted, for the three months ended June 30, 2017.

Financial Results for the First Half Ended June 30, 2018
Revenues
Revenues for the six months ended June 30, 2018 were $1.9 million, an increase of $145,000, or 8.4%, from $1.7 million in the first six months of 2017. The increase is due to an increase in royalty payments from Bayer for sales of Finacea® Foam.

Operating Expenses
Research and Development Expenses
Research and development expenses for the six months ended June 30, 2018 were $39.7 million, a $13.1 million, or 49.2%, increase from $26.6 million in the first six months of 2017. The increase in research and development expenses resulted primarily from an increase of $12.2 million in costs relating predominantly to FMX101 and FMX103 clinical trials and an increase of $1.5 million in payroll and payroll-related expenses including share-based compensation primarily due to a change in the measurement of share-based compensation expenses of a consultant and an increase in headcount and salary raises, off-set by a decrease of $1.2 million in compensation to one of the Company's co-founders in the first half of 2017 and an increase of $383,000 in travel-related expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the six months ended June 30, 2018 were $6.7 million, an increase of $437,000, or 6.9%, compared to $6.3 million in the same six month period of 2017. The increase in selling, general and administrative expenses resulted primarily from an increase of $1.5 million in payroll and payroll-related expenses including share-based compensation, mostly due to an increase in headcount, salary raises and accounting modification relating to share-based compensation expenses of a consultant, off-set by a decrease of $1.5 million in compensation to one of the Company's co-founders in the first half of 2017; an increase of $526,000 in advisory and professional services expenses, off-set by a decrease of $112,000 in travel-related expenses.

Net Loss

For the six months ended June 30, 2018, the Company recorded a net loss of $44.6 million, or ($1.15) per share, basic and diluted, compared with a loss of $30.8 million, or ($0.82) per share, basic and diluted, for the six month ended June 30, 2017.

About Foamix

Foamix is a specialty pharmaceutical company focused on the development and commercialization of proprietary, innovative and differentiated topical drugs for dermatological therapy. Our leading clinical stage product candidates are FMX101, our novel minocycline foam for the treatment of moderate-to-severe acne and FMX103, our novel minocycline foam for the treatment of rosacea. We continue to pursue research & development of our proprietary, innovative foam technologies for the treatment of various skin conditions. We currently have development and license agreements relating to our technology with various pharmaceutical companies including Bayer HealthCare and others.

Foamix uses its website (www.Foamix.com) as a channel to distribute information about Foamix and its product candidates from time to time. Foamix may use its website to comply with its disclosure obligations under Regulation FD. Therefore, investors should monitor Foamix's website in addition to following its press releases, filings with the Securities & Exchange Commission ("SEC"), public conference calls, and webcasts.

Cautionary Note Regarding Forward-Looking Statements

This release includes forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and the safe harbor provisions created by those sections. Forward-looking statements are statements that are not historical facts, such as statements regarding assumptions, expectations, forecasts, beliefs or intentions related to financial results, commercial results, timing and results of clinical trials and U.S. FDA and other regulatory agencies authorizations. Forward-looking statements are based on our current knowledge and our present beliefs and expectations regarding possible future events and are subject to risks, uncertainties and assumptions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors including, but not limited to, unexpected delays in clinical trials or announcement of results, excess costs or unfavorable results of clinical trials, delays or denial in the U.S. FDA approval process, additional competition in the acne and dermatology markets, denial of reimbursement by third party payors or inability to raise additional capital, our ability to recruit and retain key employees and our ability to stay in compliance with applicable laws, rules and regulations. We discuss many of these risks in greater detail in our annual and other periodic filings with the SEC, including under the heading "Risk Factors" in our most recent annual report. Although we believe these forward-looking statements are reasonable, they speak only as of the date of this announcement and Foamix undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law. Given these risks and uncertainties, you should not rely upon forward-looking statements as predictions of future events.

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FOAMIX PHARMACEUTICALS LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS

(U.S. dollars in thousands, except per share data)

(Unaudited)

	June 30, 2018	December 31, 2017
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$11,702	$15,956
Restricted cash	250	250
Short term bank deposits	19,632	19,443
Investment in marketable securities	22,831	31,797
Restricted investment in marketable securities	275	290

Accounts receivable:		
Trade	975	996
Other	491	772
TOTAL CURRENT ASSETS	56,156	69,504
NON-CURRENT ASSETS:		
Investment in marketable securities	1,572	8,533
Restricted investment in marketable securities	136	143
Property and equipment, net	2,166	2,042
Other	44	32
TOTAL NON-CURRENT ASSETS	3,918	10,750
TOTAL ASSETS	$60,074	$80,254

	June 30, 2018	December 31, 2017
Liabilities and shareholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accruals:		
Trade	$12,357	$6,436
Deferred revenues	-	62
Other	2,729	3,730
TOTAL CURRENT LIABILITIES	15,086	10,228
LONG-TERM LIABILITIES:		
Liability for employee severance benefits	377	437
Other liabilities	714	988
TOTAL LONG-TERM LIABILITIES	1,091	1,425

TOTAL LIABILITIES	16,177	11,653
COMMITMENTS		
SHAREHOLDERS' EQUITY:		
Ordinary Shares, NIS 0.16 par value - authorized: 90,000,000 Ordinary Shares as of June 30, 2018 and December 31, 2017; issued and outstanding: 40,693,479 and 37,498,128 Ordinary Shares as of June 30, 2018 and December 31, 2017, respectively	1,721	1,576
Additional paid-in capital	228,154	208,364
Accumulated deficit	(185,851)	(141,281)
Accumulated other comprehensive loss	(127)	(58)
TOTAL SHAREHOLDERS' EQUITY	43,897	68,601
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$60,074	$80,254

FOAMIX PHARMACEUTICALS LTD.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(U.S. dollars in thousands, except per share data)

(Unaudited)

	Six months ended June 30,		Three months ended June 30,	
	2018	2017	2018	2017
REVENUES	$1,870	$1,725	$964	$798
OPERATING EXPENSES:				
Research and development	39,667	26,615	16,842	13,940
Selling, general and administrative	6,710	6,273	2,909	3,451
TOTAL OPERATING EXPENSES	46,377	32,888	19,751	17,391
OPERATING LOSS	44,507	31,163	18,787	16,593
FINANCE INCOME, net	(352)	(544)	(279)	(287)
LOSS BEFORE INCOME TAX	44,155	30,619	18,508	16,306
INCOME TAX	450	152	120	81
NET LOSS FOR THE PERIOD	$44,605	$30,771	$18,628	$16,387

LOSS PER SHARE BASIC AND DILUTED	$1.15	$0.82	$0.46	$0.44
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING USED IN COMPUTATION OF BASIC AND DILUTED LOSS PER SHARE IN THOUSANDS	38,821	37,304	40,102	37,420