

# ROSETTA GENOMICS™

Revealing Genomic Answers

## **Rosetta Genomics Reports Preliminary RosettaGX Reveal™ Financial Results for the 2016 Fourth Quarter and Year**

*Reiterates 2017 RosettaGX Reveal revenue guidance of between \$4 million and \$5 million as Company increases focus on the Reveal market opportunity*

**PHILADELPHIA and REHOVOT, Israel (February 7, 2017)** – Rosetta Genomics Ltd. (NASDAQ: ROSG), a genomic diagnostics company that improves treatment decisions by providing timely and accurate diagnostic information to physicians, announces preliminary financial results and unit growth for its RosettaGX Reveal™ (Reveal) assay for the classification of indeterminate thyroid nodules, for the three months and year ended December 31, 2016.

Preliminary Reveal revenue for the fourth quarter of 2016 was approximately \$390,000, representing growth of nearly 40% compared with reported revenue of \$282,000 for the third quarter of 2016. During the fourth quarter of 2016, Rosetta received 423 Reveal orders, a 39% increase compared with 305 Reveal units received in the third quarter of 2016.

Reveal revenue for the year ended December 31, 2016 was approximately \$850,000. There were no Reveal revenues in 2015 as the assay was launched commercially in the first quarter of 2016.

“Throughout 2016 we had approximately half of our sales team’s time allocated towards the successful commercial launch of our Reveal assay for the classification of indeterminate thyroid nodules while the other half of our team was focused on selling the other products in our portfolio. We are pleased with the significant progress we made advancing our Reveal offering. As we projected, the second half of 2016 saw much stronger unit and revenue growth as our high-performance results and convenience advantages are resonating with physicians and payers. Consequently, we plan to allocate more of the time of our sales team to the promotion of this novel thyroid nodule classifier, confident this allocation of resources will allow us to achieve our 2017 Reveal financial goals and maximize return on these investments,” stated Kenneth A. Berlin, President and Chief Executive Officer of Rosetta Genomics.

“Recent feedback from customers on how they utilize and rate their experience with Reveal shows physicians prefer the accuracy and scientific rigor behind our thyroid microRNA classifier. Unlike most other molecular thyroid tests, the RosettaGX Reveal assay analyzes the exact cells that were used to make the initial indeterminate cytology diagnosis. In addition, the ease-of-use and convenience of being able to use the same cytology slides that were created to perform the initial diagnosis were considered great advantages. Most significantly, clinicians are relying on the benign results from Reveal to spare their patients from unnecessary surgeries, which is the key aim of this important assay.

“Moving forward, we plan to continue to work with third parties to leverage their commercial teams to significantly expand our outreach to clinicians to help them understand how Reveal can improve the management of their patients who have thyroid nodules with indeterminate diagnoses.

Understanding the role that favorable reimbursement plays in the successful adoption of any medical product, we also maintain active dialogues with national and regional commercial payers to ensure the

best and broadest reimbursement coverage for Reveal. Our reimbursement and collection efforts continue to result in increased payments from commercial payers and we continue to receive excellent payment from Medicare for Reveal.

“Recently, Nicole Massoll, M.D. joined the Rosetta team as the laboratory and medical director of our laboratory based in Philadelphia where all of our microRNA-based tests are processed, including Reveal. Dr. Massoll is a recognized leader in the field of thyroid cytopathology who will help to enhance our best-in-class customer service and lab operations. In addition, in anticipation of the substantial growth in the number of Reveal units we expect to process in 2017, we have significantly increased our processing capabilities at our Philadelphia laboratory and have hired and trained additional technicians to handle the increase in demand. By the end of the first quarter of 2017, we will be able to process 500 Reveal assays per month, quadruple our processing capacity in the third quarter of 2016.

“We recently strengthened our intellectual property portfolio for Reveal with two U.S. patent allowances that fortify our position in microRNAs and thyroid cancer diagnostics. With nearly 500 peer-reviewed publications that confirm the effectiveness of microRNAs as biomarkers in the diagnosis of thyroid cancer, we believe these new patents along with other microRNAs in our Reveal assay, strengthen the value of this assay and create opportunities to monetize this and other intellectual property. Our solid patent position, along with Reveal’s numerous competitive advantages, creates the opportunity for continued revenue growth throughout 2017 and well into the future,” concluded Mr. Berlin.

#### **2017 Revenue and Unit Guidance for RosettaGX Reveal**

Rosetta Genomics affirms 2017 revenue and unit guidance for RosettaGX Reveal. For 2017, Rosetta Genomics expects Reveal revenue to be between \$4.0 million and \$5.0 million, and expects to process between 2,500 and 3,500 Reveal units during the year.

#### **About RosettaGX Reveal**

RosettaGX Reveal is a novel assay for the classification of indeterminate thyroid nodules that utilizes Rosetta’s proven microRNA platform to differentiate these nodules as benign, suspicious for malignancy, or as having high risk for medullary carcinoma (an aggressive form of thyroid cancer). RosettaGX Reveal has a 99% negative predictive value and 98% sensitivity. It is the first thyroid test that works on stained FNA smears and can be used on the same cytology slides that were created to perform the initial diagnosis. For more information about RosettaGX Reveal click [here](#).

#### **About Rosetta Genomics**

Rosetta is pioneering the field of molecular diagnostics by offering rapid and accurate diagnostic information that enables physicians to make more timely and informed treatment decisions to improve patient care. Rosetta has developed a portfolio of unique diagnostic solutions for oncologists, urologists, endocrinologists, cytopathologists and other specialists to help them deliver better care to their patients. RosettaGX Reveal™, a Thyroid microRNA Classifier for the diagnosis of cancer in thyroid nodules, as well as the full RosettaGX™ portfolio of cancer testing services are commercially available through the Company’s Philadelphia, PA- and Lake Forest, CA-based CAP-accredited, CLIA-certified labs.

#### **Forward-Looking Statement Disclaimer**

Various statements in this release, including but not limited to, statements relating to achieving financial goals, maximizing return on investments, expanding outreach to clinicians, increasing growth in number of Reveal units sold, increasing payments from commercial payers, monetizing intellectual property, accelerating revenue growth and the 2017 revenue and unit guidance for Reveal constitute forward-looking statements for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including those risks more fully discussed in the "Risk Factors" section of Rosetta’s most recently filed Annual Report on Form 20-F, as filed with the SEC. In addition, any

forward-looking statements represent Rosetta's views only as of the date of this release and should not be relied upon as representing its views as of any subsequent date. Rosetta does not assume any obligation to update any forward-looking statements unless required by law.

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