



Rosetta Genomics Focusing Efforts on Improving Cash Position through Sale of the PersonalizeDx Business and Monetizing IP

Suspends plans to sell Class A and Class B Units

PHILADELPHIA and REHOVOT, Israel (May 22, 2017) – Rosetta Genomics Ltd. (NASDAQ: ROSG), a genomic diagnostics company that improves treatment decisions by providing timely and accurate diagnostic information to physicians, announces that it plans to focus its efforts to strengthen its cash position by accelerating the exploration of opportunities to sell its PersonalizeDx business as well as by monetizing certain of its extensive intellectual property (IP) portfolio, and that it has suspended efforts to sell Class A and Class B Units as previously contemplated under the Form F-1 registration as filed with the U.S. Securities and Exchange Commission on May 8, 2017.

“Since announcing our strategic focus on RosettaGX Reveal™ (Reveal) and the exploration of alternatives for our PersonalizeDx business at the start of this month, we have received inquiries from multiple parties expressing interest in acquiring our PersonalizeDx business,” said Kenneth A. Berlin, President and Chief Executive Officer of Rosetta Genomics. “In parallel, the current market conditions for selling equity are not favorable to microcap companies, and we believe the terms proposed to us by potential investors are not in the best interest of our shareholders. As such, we are suspending plans to raise capital under the Form F-1 registration statement until further notice, and instead will continue to explore other means to improve our cash position. The potential sale of our PersonalizeDx business would have the benefit of bringing in non-dilutive cash as well as reducing our cash burn rate by approximately 20%. We also are pursuing opportunities to monetize certain IP assets, which represent another potential source of non-dilutive cash, and are exploring several other avenues for raising capital.”

“We continue to believe that our microRNA-based assays complement the PersonalizeDx products, acquired in April 2015, by providing opportunities to market and sell our broader portfolio to our growing lab and hospital customer base. However, we also believe that concentrating our investments in the expansion of our commercial, promotional and reimbursement efforts for Reveal to accelerate this differentiated product’s growth will provide a better return on investment over the next several years, as well as provide a more rapid path to profitability,” continued Mr. Berlin.

The Company believes Reveal, a first-of-its-kind microRNA assay for the classification of indeterminate thyroid nodules, offers a significant opportunity for both short- and long-term revenue growth. Preliminary Reveal revenue for the first quarter of 2017 was approximately \$600,000, representing growth of more than 50% compared with revenue of \$389,000 for the fourth quarter of 2016 and more than double revenue of \$282,000 reported for the third quarter of 2016. Gross billings for Reveal for the first quarter of 2017 were approximately \$1.5 million, a

20% increase from \$1.25 million for the fourth quarter of 2016 and a 61% increase from \$930,000 for the third quarter of 2016.

In addition, the Company believes its current and prospective efforts in the discovery and development of predictive biomarkers in the burgeoning field of immuno-oncology hold promising revenue potential from patient selection for clinical trials, as well as from optimizing treatment decisions for patients who may be candidates for immuno-oncology drugs.

Non-GAAP Tables

<u>USD in thousands</u>	<u>Quarter ended March 31, 2017</u>
Preliminary Reveal revenues	\$600
Unrecognized billings	\$900
Preliminary gross billings for Reveal	\$1,500

<u>USD in thousands</u>	<u>Quarter ended</u>	
	<u>December 31, 2016</u>	<u>September 30, 2016</u>
Revenues for Reveal	\$389	\$282
Unrecognized billings	\$861	\$648
Gross billings for Reveal	\$1,250	\$930

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 concerning Rosetta's future expectations, plans and prospects including, but not limited to statements relating to improving our cash position, reducing cash burn, opportunities to sell our PersonalizedDx business, opportunities available to us to monetize our IP assets, creating long term revenue opportunities via Reveal, achieving further market penetration and market acceptance from clinicians, expanding Reveal sales into untapped parts of the market, and growing global interest in this assay and statements containing the words "expect," "believe," "will," "may," "should," "project," "estimate," "anticipated," "scheduled," and like expressions, and the negative thereof, 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 risks and uncertainties, including, but are not limited to the following: we will require substantial additional funds to continue our operations and, if additional funds are not available, we may need to significantly scale back or cease our operations; we have a history of losses and may never be profitable; if we are unable to expand sales of our diagnostic tests in the United States, it would have a material adverse effect on our business and financial condition; if we are unable to find profitable strategic alternatives for our PersonalizeDx diagnostic testing and services business, it would have a material adverse effect on our business and financial condition; the intensely competitive biotechnology market could diminish demand for our tests and products; the market may not be receptive to any diagnostic tests or therapeutic products using our microRNA technology; we currently have limited sales, marketing or distribution experience and may in the future depend significantly on third parties to commercialize microRNA-based diagnostic tests or therapeutic products we may develop; we are largely dependent upon our distributors for the success of commercialization of our current diagnostic tests; health insurers and other third-party payors may decide not to cover our diagnostic products or may provide inadequate reimbursement, which could jeopardize our commercial prospects; because of Medicare billing rules, we may not receive reimbursement for all tests provided to Medicare patients; if we fail to comply with our obligations under any licenses or related agreements, we could lose license rights that may be necessary for developing microRNA-based diagnostics and therapeutics; if we fail to comply with the complex federal, state, local and foreign laws and regulations that apply to our business, we could suffer severe consequences that could materially and adversely affect our operating results and financial condition; we contract with a single manufacturer for the purchase of microarray chips for certain tests, and the failure of this manufacturer to supply sufficient quantities on a timely basis could have a material adverse effect on our business; and other risk factors discussed under the heading “Risk Factors” in 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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