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Interpace Diagnostics Announces New Health Economic Data Publications

Peer Reviewed Publications Demonstrate Cost Effectiveness for Both Thyroid and Barrett's Tests

PARSIPPANY, N.J., June 1, 2016 /PRNewswire/ -- Interpace Diagnostics Corp. (NASDAQ: IDYG), a company that provides clinically useful molecular diagnostic tests and pathology services for evaluating risk of cancer by leveraging the latest technology in personalized medicine for better patient diagnosis and management, announced today the publication of two health economics manuscripts related to their gastroenterology and endocrinology products for early detection of cancer in at-risk patients. The publications establish the cost effectiveness and utility of Interpace's commercial ThyGenX® and ThyraMIR™ combination test for thyroid nodules and its BarreGEN™ test for Barrett's esophagus.

In the first publication, *Clinical Endocrinology*, the study entitled "*Utility and Cost-Effectiveness of Molecular Testing in Thyroid Nodules with Indeterminate Cytology*", reports the significant projected cost savings of using combination ThyGenX and ThyraMIR testing compared to other management strategies, including standard of care without molecular testing and molecular testing using an alternate test with less robust performance characteristics. The combination of ThyGenX and ThyraMIR testing effectively decreased the rate of unnecessary surgeries in patients with thyroid nodules, otherwise indeterminate for malignancy, and could save the healthcare system \$3,170 per unnecessary surgery avoided, translating to an incremental cost savings of \$1,384 per indeterminate thyroid nodule case, which was significantly better than other strategies examined. Cost savings were achieved through the high predictive value of the ThyGenX and ThyraMIR combination in determining both the presence and absence of malignancy in thyroid nodules.

In the second publication, *Endoscopy International Open*, the study entitled "*Endoscopic Ablation is a Cost-Effective Cancer Preventative Therapy in Patients with Barrett's Esophagus Who Have Elevated Genomic Instability*", reports the significant projected cost savings and health benefit of Interpace's BarreGEN test when used to inform decisions for ablation therapy in patients with Barrett's Esophagus. The study reports that use of BarreGEN to help with decisions for selective ablation of Barrett's patients could most importantly improve patient quality of life years while providing the most cost savings compared to current cancer surveillance or other preventative ablation strategies. BarreGEN generated cost savings by accurately identifying Barrett's patients at risk of developing cancer, facilitating cancer preventative ablation decisions for those at high risk and surveillance for those at low risk. BarreGEN could reduce costs by up to \$5,531 per patient compared to current cancer surveillance strategies and up to \$3,496 per patient compared to strategies to ablate all patients with Barrett's esophagus.

"This data affirms that both our current ThyGenX and ThyraMIR combination test and

BarreGEN test can result in important cost savings to the health care system," said Jack Stover, Interim Chief Executive Officer of Interpace Diagnostics. "Additionally, these studies demonstrate that our ThyGenX and ThyraMIR combination performed significantly better than other strategies examined, noting that BarreGEN presents an opportunity for a paradigm shift in the management of Barrett's Esophagus disease by providing a cost-effective tool that can help personalize the need and benefit of ablation therapy in each individual patient" .

About Thyroid Nodules, ThyGenX and ThyraMIR

According to the American Thyroid Association, approximately 15% to 30% of the 525,000 thyroid fine needle aspirations (FNAs) performed on an annual basis in the U.S. are indeterminate for malignancy based on standard cytological evaluation, and thus are candidates for ThyGenX and ThyraMIR.

ThyGenX and ThyraMIR reflex testing yields high predictive value in determining the presence and absence of cancer in thyroid nodules. The combination of both tests can improve risk stratification and surgical decision-making when standard cytopathology does not provide a clear diagnosis for the presence of cancer.

ThyGenX utilizes state-of-the-art next-generation sequencing (NGS) to identify more than 100 genetic alterations associated with papillary and follicular thyroid carcinomas, the two most common forms of thyroid cancer. ThyraMIR is the first microRNA gene expression classifier. MicroRNAs are small, non-coding RNAs that bind to messenger RNA and regulate expression of genes involved in human cancers, including every subtype of thyroid cancer. ThyraMIR measures the expression of 10 microRNAs. Both ThyGenX and ThyraMIR are covered by both Medicare and Commercial insurers.

About Barrett's Esophagus and BarreGEN™

BarreGEN is a DNA-based molecular pathology test that augments traditional pathology staging of Barrett's Esophagus disease by examining underlying mutational change in biopsy tissue. Currently, BarreGen has very limited distribution and reimbursement. BarreGEN assesses the extent of mutational change in key tumor suppressor genes over 10 genomic loci typically found mutated in esophageal adenocarcinoma. Studies have shown that BarreGEN can help physicians in the early identification of Barrett's patients who have the same underlying levels of mutational change as observed in cancer cases, allowing physicians to employ management strategies to prevent cancer before its visible appearance in biopsy tissue. About 2 million Americans have been diagnosed with Barrett's esophagus. Barrett's is considered a precancerous condition typically caused by Gastroesophageal Reflux Disease (GERD). Although the vast majority of Barrett's patients will not develop esophageal adenocarcinoma, the few who do have a very poor prognosis, with only approximately 20 percent surviving past five years of their cancer diagnosis. Barrett's-related esophageal cancer strikes about 10,000 Americans each year, with the incidence rising.

About Interpace Diagnostics Group, Inc.

Interpace Diagnostics is a company that provides clinically useful molecular diagnostic tests and pathology services for evaluating risk of cancer by leveraging the latest technology in personalized medicine for better patient diagnosis and management. The Company currently has three commercialized molecular tests; PancreGen® for the diagnosis and prognosis of

pancreatic cancer from pancreatic cysts; ThyGenX, for the diagnosis of thyroid cancer from thyroid nodules utilizing a next generation sequencing assay and ThyraMIR, for the diagnosis of thyroid cancer from thyroid nodules utilizing a proprietary gene expression assay. Interpace Diagnostics' mission is to provide personalized medicine through molecular diagnostics and innovation to advance patient care based on rigorous science.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995, relating to our future financial and operating performance. The company has attempted to identify forward looking statements by terminology including "believes," "estimates," "anticipates," "expects," "plans," "projects," "intends," "potential," "may," "could," "might," "will," "should," "approximately" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. These statements are based on current expectations, assumptions and uncertainties involving judgments about, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond company's control. These statements also involve known and unknown risks, uncertainties and other factors that may cause company's actual results to be materially different from those expressed or implied by any forward-looking statement. Known and unknown risks, uncertainties and other factors include, but are not limited to, our ability to adequately finance the business, the market's acceptance of our molecular diagnostic tests; our ability to secure additional business and generate higher profit margins through sales of our molecular diagnostic tests, in-licensing or other means, projections of future revenues, growth, gross profit and anticipated internal rate of return on investments. Additionally, all forward-looking statements are subject to the risk factors detailed from time to time in the Company's periodic filings with the Securities and Exchange Commission (SEC), including without limitation, the Annual Report on Form 10-K filed with the SEC on March 30, 2016.. Because of these and other risks, uncertainties and assumptions, undue reliance should not be placed on these forward-looking statements. In addition, these statements speak only as of the date of this press release and, except as may be required by law, the Company undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

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