March 15, 2017

CORRECTION - ContraFect Reports Fourth Quarter and Full Year 2016 Financial Results and Provides Business Update

YONKERS, NY -- (Marketwired) -- 03/15/17 --

In the news release, "*ContraFect Reports Fourth Quarter and Full Year 2016 Financial Results and Provides Business Update*," issued earlier today by ***ContraFect Corporation***(NASDAQ: CFRX), we are advised by the company the financial tables included in the original release were incorrect. The correct financial tables appear below. The text beneath the tables has also been updated. Complete corrected text follows.

ContraFect Reports Fourth Quarter and Full Year 2016 Financial Results and Provides Business Update

YONKERS, NY -- March 15, 2017 -- ***ContraFect Corporation***(NASDAQ: CFRX), a biotechnology company focused on the discovery and development of protein and antibody therapeutics for life-threatening, drug-resistant infectious diseases, today announced results for the fourth quarter and full year ended December 31, 2016. The Company ended the fourth quarter with cash, cash equivalents, and marketable securities of $35.2 million.

"Our team is focused on progressing the development of our lead candidate CF-301, a lysin therapeutic candidate for the treatment of *Staphylococcus aureus (Staph aureus)* bloodstream infections and endocarditis. Based on our continued progress, we remain on track for a mid-2017 start for our Phase 2 trial," said Steven C. Gilman, Ph.D., ContraFect's Chairman and Chief Executive Officer.

2016 Highlights

- ***Presentation of Data for CF-301:*** In 2016, the Company presented data from its CF-301 program at the European Congress of Clinical Microbiology and Infectious Disease, as well as the ASM Microbe 2016 conferences. This includes data from a Phase 1 clinical trial which demonstrated that CF-301 was generally well-tolerated

and there were no clinical adverse safety signals observed. Supporting animal studies including PK/PD modeling indicate that the 0.25 mg/kg dose of CF-301 which will be used in the Phase 2 trial is anticipated to be effective in treating patients with *Staph aureus* bacteremia. Additional data presented provide further evidence of the favorable resistance profile and microbiological activity of CF-301.

- ***$37 Million in New Funding:*** In July 2016, the Company raised $35 million in gross proceeds in an underwritten public offering of common stock and warrants. Additionally, the Company was granted a $2.1 Million PRMRP Grant from the U.S. Department of Defense to support the development of CF-301. The Company anticipates that current cash, cash equivalents and marketable securities are sufficient to fund operations into the second quarter of 2018.
- ***Regulatory Progress:*** In 2016, the Company met with both the FDA and the Medical and Healthcare products Regulatory Agency (MHRA) to discuss the Phase 2 clinical trial design for CF-301. These meetings were positive and both agencies expressed support for the development of CF-301 as novel antibacterial therapeutic for the treatment of *Staph aureus* bacteremia, including endocarditis, which will be studied in Phase 2. In addition, in August 2016, ContraFect was granted Small and Medium Enterprise (SME) designation by the European Medicines Agency (EMA). The SME designation was established by EMA to promote innovation and the development of new medicinal products by smaller companies.
- ***Expanded Research Collaboration with Rockefeller:*** In October 2016, the Company entered into a three year collaborative research agreement with The Rockefeller University (Rockefeller) to identify new lysin therapeutic candidates targeting Gram-negative bacteria. This agreement renews and expands the previous collaboration between ContraFect and Rockefeller.
- ***Enhanced Intellectual Property:*** On November 22, 2016 the United States Patent Office granted the Company U.S. Patent No. 9,499,594, entitled "Biofilm Prevention, Disruption and Treatment with Bacteriophage Lysin." The patent provides claims directed to methods for the prevention, control, disruption and treatment of bacterial biofilms with CF-301, and other lysins having the ability to kill *Staph* bacteria, including drug resistant *Staph aureus*. The patent also includes compositions and methods for use in the treatment or modulation of bacterial biofilm and biofilm formation.

Fourth Quarter and Full Year 2016 Financial Results:

- Research and development expenses were $4.5 million for the fourth quarter of 2016 compared to $4.9 million in the comparable period in 2015. The decrease was primarily due to decreased expenditure on manufacturing and non-clinical studies and lower research headcount and related laboratory expenses. These decreases were partially offset by an increase in our clinical costs to prepare for the upcoming Phase 2 study of CF-301.
- General and administrative expenses were $2.3 million for the fourth quarter of 2016 compared to $2.6 million in the comparable period in 2015. The decrease in general and administrative expenses was primarily attributable to lower legal, consulting and director fees and expenses.
- For the year ended December 31, 2016, research and development expenses were $22.1 million and general and administrative expenses were $11.4 million. This

compares to research and development expenses of $15.0 million and general and administrative expenses of $10.0 million for the year ended December 31, 2015. Research and development expenses increased primarily due to preparation for the upcoming Phase 2 clinical trial of CF-301 and CF-404 manufacturing activities. Expenses related to our research headcount in support of the discovery and study of additional product candidates also increased in 2016. General and administrative expenses increased primarily due to increased severance costs and accounting and filing costs related to our SEC filings. These increases were partially offset by a decrease in our director fees and expenses.

- Net income was $0.6 million, or $0.01 per share, for the fourth quarter of 2016 compared to a net loss of $7.6 million, or $0.28 per share, for the comparable period in 2015. The change in net loss per share includes a $7.2 million, or $0.16 per share, non-cash gain for the change in fair value of warrant liabilities.
- Net loss was $28.5 million, or $0.85 per share, for the year ended December 31, 2016 compared to a net loss of $25.1 million, or $1.08 per share, for the comparable period of 2015. The change in net loss per share includes a $6.3 million, or $0.19 per share, non-cash gain for the change in fair value of warrant liabilities.
- As of December 31, 2016, ContraFect had cash, cash equivalents and marketable securities of $35.2 million compared to $32.9 million at the end of 2015.

About ContraFect:

ContraFect is a biotechnology company focused on discovering and developing therapeutic protein and antibody products for life-threatening, drug-resistant infectious diseases, particularly those treated in hospital settings. An estimated 700,000 deaths worldwide each year are attributed to antimicrobial-resistant infections. We intend to address life threatening infections using our therapeutic product candidates from our lysin and monoclonal antibody platforms to target conserved regions of either bacteria or viruses (regions that are not prone to mutation). ContraFect's initial product candidates include new agents to treat antibiotic-resistant infections such as MRSA (Methicillin-resistant *Staphylococcus aureus)* and influenza.

About CF-301:

CF-301 is a recombinant bacteriophage-derived lysin with potent bactericidal activity against *Staph aureus*, a major cause of blood stream infections, or bacteremia. CF-301 has the potential to be a first-in-class treatment for *Staphylococcus aureus (Staph aureus)* bacteremia. It has a novel, rapid, and specific mechanism of bactericidal action against *Staph aureus* and does not impact the body's natural bacterial flora. By targeting a conserved region of the cell wall that is vital to bacteria, resistance is less likely to develop to CF-301. Combinations of CF-301 with standard of care antibiotics significantly increased bacterial killing and survival in animal models of disease when compared to treatment with antibiotics or CF-301 alone. In addition, *in vitro* and *in vivo* experiments have shown that CF-301 is highly active against biofilm infections. CF-301 was licensed from The Rockefeller University and is being developed at ContraFect and is the first lysin to enter clinical studies in the U.S.

About CF-404:

CF-404 is a therapeutic cocktail composed of three fully human monoclonal antibodies targeted against the influenza virus. The cocktail consists of two antibodies targeting influenza A strains, and one antibody targeting influenza B strains, providing coverage for all human seasonal strains and most pandemic strains of influenza. These antibodies target a highly conserved region of the influenza hemagglutinin stem reducing the potential for resistance formation. This design of CF-404 allows for treatment without strain-specific diagnosis, redesign or annual reformulation.

About the PRMRP Grant:

This PRMRP Grant is supported by the Office of the Assistant Secretary of Defense for Health Affairs, through the Peer Reviewed Medical Research Program under Award No. W81XWH-16-1-0245. In conducting this research, the investigators will adhere to the laws of the United States and regulations of the Department of Agriculture, as well as CDC-NIH Guide for Biosafety in Microbiological and Biomedical Laboratories.

FORWARD-LOOKING STATEMENTS

This press release contains, and our officers and representatives may make from time to time, "forward-looking statements" within the meaning of the U.S. federal securities laws. Forward-looking statements can be identified by words such as "projects," "may," "will," "could," "would," "should," "believes," "expects," "anticipates," "estimates," "intends," "plans," "potential," "promise" or similar references to future periods. Examples of forward-looking statements in this release include, without limitation, statements regarding our ability to discover and develop protein and antibody therapeutics for life-threatening, drug-resistant infectious diseases, including whether CF-301 has the potential to be a first-in-class treatment for *Staph aureus* bloodstream infections, whether we can progress its development for the treatment of *Staph aureus* bloodstream infections and endocarditis, our ability to address life threatening infections using our therapeutic product candidates from our lysin and monoclonal antibody platforms to target conserved regions of either bacteria or viruses, our anticipated start date for our Phase 2 trial, whether the 0.25 mg/kg dose of CF-301 will be effective in treating patients with *Staph aureus* bacteremia in our Phase 2 study, whether data provides further evidence of the favorable resistance profile and microbiological activity of CF-301, whether our current cash, cash equivalents and marketable securities are sufficient to fund operations into the second quarter of 2018, our ability to identify new lysin therapeutic candidates targeting Gram-negative bacteria, and the validity of our patents. Forward-looking statements are statements that are not historical facts, nor assurances of future performance. Instead, they are based on ContraFect's current beliefs, expectations and assumptions regarding the future of its business, future plans, strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent risks, uncertainties and changes in circumstances that are difficult to predict and many of which are beyond ContraFect's control, including those detailed in ContraFect's filings with the Securities and Exchange Commission. Actual results may differ from those set forth in the forward-looking statements. Important factors that could cause actual results to differ include, among others, our ability to develop treatments for drug-resistant infectious diseases. Any forward-looking statement made by ContraFect in this press release is based only on information currently available and speaks only as of

the date on which it is made. Except as required by applicable law, ContraFect expressly disclaims any obligations to publicly update any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

CONTRAFECT CORPORATION
Condensed Balance Sheets

	December 31, 2016	***December 31, 2015***
Assets		
Current assets:		
Cash and cash equivalents	$ 3,806,984	$ 9,972,781
Marketable securities	31,354,170	22,948,872
Prepaid expenses and other current assets	1,017,645	1,176,895
Total current assets	36,178,799	34,098,548
Property and equipment, net	1,281,152	1,618,968
Other assets	164,519	143,621
Total assets	$ 37,624,470	$ 35,861,137
Liabilities and stockholders' equity		
Current liabilities	4,418,197	3,769,184
Other liabilities	13,693,419	1,416,443
Total liabilities	18,111,616	5,185,627
Total stockholders' equity	19,512,854	30,675,510
Total liabilities and stockholders' equity	$ 37,624,470	$ 35,861,137

CONTRAFECT CORPORATION
Condensed Statements of Operations

	Three Months Ended December 31,		***Year Ended December 31,***	
	2016	***2015***	***2016***	***2015***
	(unaudited)	(unaudited)		
Operating expenses:				
Research and development	$ 4,451,325	$ 4,922,372	$ 22,101,720	$ 15,004,512

General and administrative	2,256,812	2,564,858	11,430,526	10,060,825
Total operating expenses	6,708,137	7,487,230	33,532,246	25,065,337
Loss from operations	(6,708,137)	(7,487,230)	(33,532,246)	(25,065,337)
Other income (expense):	7,302,506	(101,111)	4,993,847	(55,627)
Net loss	$ 594,369	$ (7,588,341)	$ (28,538,399)	$ (25,120,964)
Per share information:				
Net loss per share of common stock, basic and diluted	$ 0.01	$ (0.28)	$ (0.85)	$ (1.08)
Basic and diluted weighted average shares outstanding	41,598,944	26,678,800	33,539,465	23,328,922

The comparability of basic and diluted net loss per share and weighted average shares outstanding was impacted by the Company's private placement of securities on June 12, 2015, the issuance of shares upon the exercise of Class B warrants in October and November 2015 and the registered sale of securities on July 27, 2016.

The Company's financial position as of December 31, 2016 and 2015 and results of operations for the years ended December 31, 2016 and 2015 have been extracted from the Company's audited financial statements included in its Annual Report on Form 10-K filed with the Securities and Exchange Commission. Certain prior period amounts have been reclassified to conform to current year presentation. You should refer to the Company's Annual Report on Form 10-K for a complete discussion of financial information.

Investor Relations Contact

Paul Boni
ContraFect Corporation
Tel: 914-207-2300
Email: Email contact

Source: ContraFect Corporation