

May 15, 2015

ContraFect

MOLECULAR TREATMENTS
FOR INFECTIOUS DISEASE



ContraFect Corporation Announces First Quarter 2015 Results

Screening of Patients for Phase 1 Trial of CF-301 Underway

YONKERS, NY -- (Marketwired) -- 05/15/15 -- [ContraFect Corporation](#) (NASDAQ: CFRX) (NASDAQ: CFRXW) (NASDAQ: CFRXZ), a biotechnology company focused on the discovery and development of protein therapeutics and antibody products for life-threatening, drug-resistant infectious diseases, today announced results for the first quarter ended March 31, 2015.

ContraFect ended the March 31, 2015 quarter with \$22.9 million in cash, cash equivalents and marketable securities.

"ContraFect continued to make substantial progress in 1Q 2015 as we prepared for our Phase 1 clinical trial of CF-301, the first in a new class of lysin medicines to be allowed by the FDA into human clinical trials, which we are developing as a potential treatment of Staph aureus bloodstream infections. Most notably, screening healthy volunteers for the trial began in late April," said Julia P. Gregory, ContraFect's chief executive officer. "Advancing CF-301 into clinical development is an important milestone in our corporate mission to bring much needed therapies to patients with serious life-threatening, drug resistant infections."

Also during the period we initiated IND-enabling studies for the continued development of CF-404, our potential treatment for serious, life-threatening influenza, and made important additions to ContraFect's research and development team. "We are pleased to continue our close association with RRD International as an extension of our internal team. RRD is a leading clinical development organization with a track record of success, having collectively worked on over 100 approved products," stated Michael Wittekind, ContraFect's chief scientific officer.

Key Highlights:

On April 29, 2015, ContraFect announced it commenced screening of healthy volunteers in a Phase 1 clinical trial of CF-301. CF-301 is the first lysin ever allowed by the FDA to enter clinical trials and is a potential new medicine to treat patients with serious Staph blood stream infections, including MRSA. Additional information on the trial can be found at <https://www.clinicaltrials.gov/ct2/show/NCT02439359%20%20>

First Quarter 2015 Financial Results:

For the quarter ended March 31, 2015, ContraFect reported a net loss of \$4.9 million, or \$0.24 per share, as compared to a net loss of \$5.2 million, or \$5.15 per share, in the comparable prior year period.

Operating expenses for the quarter ended March 31, 2015 were \$4.7 million, with \$2.4 million attributable to research and development. This compares to operating expenses of \$4.8 million of which research and development expenses were \$2.7 million in the comparable prior year period. General and administrative expenses were \$2.3 million for the quarter ended March 31, 2015, compared with \$2.1 million in the prior year period, an increase which was primarily attributable to costs related to being a public company.

As of March 31, 2015, ContraFect had cash, cash equivalents and marketable securities of \$22.9 million, as compared to \$27.4 million at December 31, 2014.

About CF-301

CF-301 represents a first-in-class anti-bacterial therapeutic agent. We intend to pursue an initial indication for CF-301 to be used in combination with standard-of-care antibiotics for the treatment of Staph aureus bacteremia, including endocarditis, caused by MSSA or MRSA. If we are able to obtain approval of CF-301 for this initial indication, we believe CF-301 can be further developed for the treatment of Staph aureus pneumonia, osteomyelitis, and biofilm-related indications for infected prosthetic joints, indwelling devices and catheters.

About Lysins

Lysins are enzymes that digest the cell wall of bacteria. Once the cell wall is breached, the bacteria is killed on contact. We believe lysins are unlike standard-of-care antibiotics, especially regarding their mechanism and speed of action. Traditional antibiotics, and most cytotoxic agents, require bacterial cell division and metabolism in order to be effective. Based on in vitro and animal tests, we believe lysins, however, are fundamentally different in that they have rapid bactericidal activity, target and kill specific bacteria without impacting the good bacteria, eradicate bacteria's protective biofilm, do not have resistance to drug resistant strains and synergize with standard of care antibiotics.

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. Due to drug-resistant and newly emerging pathogens, hospital-acquired infections are currently the fourth leading cause of death in the United States, following heart disease, cancer and stroke. We intend to address drug-resistant 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 (drug-resistant staphylococcus bacteria) and influenza.

FORWARD-LOOKING STATEMENTS

This press release contains "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," "believe," "expect," "anticipate," "estimate," "intend," "plan," "potential" or similar references to future periods. 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. Specific forward-looking statements in this release include, without limitation, statements regarding anticipated screening and enrollment of healthy volunteers in our Phase 1 clinical trial for CF-301, the data obtained throughout the trial, our ability to develop therapies to combat life-threatening infections, the effectiveness of CF-301 and CF-404, and the performance of our clinical development organization. Actual results may differ from those set forth in the forward-looking statements. 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.

(Tables to Follow)

CONTRAFECT CORPORATION
Balance Sheets

	March 31, 2015	December 31, 2014
	(unaudited)	(audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,354,668	\$ 25,722,453
Marketable securities	10,526,228	1,670,606
Prepaid expenses and other current assets	271,726	368,787
Total current assets	23,152,622	27,761,846
Property and equipment, net	2,013,819	2,148,155
Other assets	143,621	143,621
Total assets	<u>\$ 25,310,062</u>	<u>\$ 30,053,622</u>
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	\$ 951,327	\$ 481,626
Accrued liabilities	1,750,105	2,711,207
Deferred rent	981,104	966,278

Total current liabilities	3,682,536	4,159,111
Warrant liabilities	<u>525,059</u>	<u>313,004</u>
Total liabilities	4,207,595	4,472,115
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, \$0.0001 par value, 25,000,000 shares authorized and none outstanding at March 31, 2015 and December 31, 2014	-	-
Common stock, \$0.0001 par value, 100,000,000 shares authorized; 20,229,141 and 20,217,263 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	2,022	2,021
Additional paid-in capital	118,458,988	118,038,560
Accumulated other comprehensive loss	(48,333)	(627)
Accumulated deficit	<u>(97,310,210)</u>	<u>(92,458,447)</u>
Total stockholders' equity	<u>21,102,467</u>	<u>25,581,507</u>
Total liabilities and stockholders' equity	<u>\$ 25,310,062</u>	<u>\$ 30,053,622</u>

CONTRAFECT CORPORATION
Unaudited Statements of Operations

	Three Months Ended March 31,	
	2015	2014
Operating expenses:		
Research and development	\$ 2,422,106	\$ 2,665,339
General and administrative	<u>2,272,970</u>	<u>2,122,625</u>
Total operating expenses	<u>4,695,076</u>	<u>4,787,964</u>
Loss from operations	(4,695,076)	(4,787,964)
Other income (expense)		
Interest income (expense), net	55,368	(827,995)
Refundable state tax credits	-	328,516
Change in fair value of warrant and embedded derivative liabilities	<u>(212,055)</u>	<u>74,631</u>
Total other income (expense)	<u>(156,687)</u>	<u>(424,848)</u>
Net loss	<u>(4,851,763)</u>	<u>(5,212,812)</u>
Per share information:		
Net loss per share of common stock, basic and diluted*	<u>\$ (0.24)</u>	<u>\$ (5.15)</u>
Basic and diluted weighted average shares outstanding*	20,221,463	1,011,997

*Basic and diluted net loss per share attributable to common stockholders and weighted average shares outstanding were impacted by the conversion of all the Company's outstanding convertible preferred stock and convertible notes payable on the closing of the Company's initial public offering on August 1, 2014.

The Company's financial position as of March 31, 2015 and results of operations for the periods ended March 31, 2015 and 2014 have been extracted from the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC). The Company's financial position as of December 31, 2014 has been extracted from the audited financial statements included in its Annual Report on Form 10-K, filed with the SEC on March 26, 2015. You should refer to both the Company's Quarterly Report on Form 10-Q and its Annual Report on Form 10-K for a complete discussion of financial information.

Investor Relations Contact

Barbara Ryan
Clermont Partners
Tel: 203-274-2825
Email: [Email Contact](#)

Avonelle McLean
ContraFect Corporation
Email: [Email Contact](#)

Source: ContraFect Corporation