

CLEVELAND BIOLABS INC
Form 424B3
November 20, 2007

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-136904

Prospectus Supplement No. 4
(to Prospectus dated April 25, 2007)

CLEVELAND BIOLABS, INC.
4,453,601 Shares

This Prospectus Supplement No. 4 supplements and amends the prospectus dated April 25, 2007 (the "Prospectus") relating to the offer and sale of up to 4,453,601 shares of our common stock which may be offered from time to time by the selling stockholders identified in the Prospectus for their own accounts. This Prospectus Supplement is not complete without, and may not be delivered or used except in connection with the original Prospectus.

This Prospectus Supplement No. 4 includes the attached Form 10-QSB of Cleveland BioLabs, Inc. dated November 14, 2007, as filed by us with the Securities and Exchange Commission.

This Prospectus Supplement No. 4 modifies and supersedes, in part, the information in the Prospectus. Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus, except as modified or superseded by this Prospectus Supplement No. 4. We may amend or supplement the Prospectus from time to time by filing amendments or supplements as required. You should read the entire Prospectus and any amendments or supplements carefully before you make an investment decision.

Investing in our common stock involves risk. See "Risk Factors" beginning on page 8 of the Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the Prospectus or this Prospectus Supplement No. 4 is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement No. 4 is November 20, 2007.

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Form 10-QSB

(Mark one)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended September 30, 2007

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act 1934

For the transition period from _____ to _____ .

Commission File Number 001-12465

CLEVELAND BIOLABS, INC.

(Exact name of small business issuer as specified in its charter)

DELAWARE
**(State or other jurisdiction of incorporation
or organization)**

20-0077155
(I.R.S. Employer Identification No.)

73 High Street
BUFFALO, NEW YORK 14203
(Address of principal executive offices and zip code)

(716) 849-6810
(Issuer's telephone number)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

As of September 30, 2007 there were 12,182,748 shares of registrant's common stock, \$0.005 par value

Transitional Small Business Disclosure Format (Check One): YES NO

CLEVELAND BIOLABS INC
 10-QSB
 11/14/2007

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In this report, "Cleveland BioLabs," "CBLI," "we," "us" and "our" refer to Cleveland BioLabs, Inc. "common stock" refers to Cleveland BioLabs, Inc.'s common stock, par value \$0.005 per share.

CLEVELAND BIOLABS, INC.

BALANCE SHEETS

September 30, 2007 (unaudited) and December 31, 2006

<u>ASSETS</u>	September 30 2007 (unaudited)	December 31 <u>2006</u>
CURRENT ASSETS		
Cash and equivalents	\$ 20,278,556	\$ 3,061,993
Short-term investments	1,003,869	1,995,836
Accounts receivable:		
Trade	644,539	159,750
Interest	44,179	42,479
Notes receivable - Orbit Brands	-	50,171
Prepaid expenses	266,769	434,675
Total current assets	22,237,912	5,744,904
EQUIPMENT		
Computer equipment	250,527	132,572
Lab equipment	886,731	347,944
Furniture	91,885	65,087
	1,229,143	545,603
Less accumulated depreciation	252,990	142,011
Construction in progress	147,889	-
	1,124,042	403,592
OTHER ASSETS		
Intellectual property	406,395	252,978
Deposits	27,447	15,055
	433,842	268,033
TOTAL ASSETS	\$ 23,795,796	\$ 6,416,529

CLEVELAND BIOLABS, INC.

BALANCE SHEETS

September 30, 2007 (unaudited) and December 31, 2006

<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	September 30 2007 (unaudited)	December 31 <u>2006</u>
CURRENT LIABILITIES		
Accounts payable	\$ 965,369	\$ 644,806
Deferred revenue	1,846,763	-
Accrued expenses	397,991	128,569
Total current liabilities	3,210,123	773,375
LONG-TERM LIABILITIES		
Milestone payable (long-term)	-	50,000
Total long-term liabilities	-	50,000
STOCKHOLDERS' EQUITY		
Series B convertible preferred stock, \$.005 par value		
Authorized - 10,000,000 shares at September 30, 2007 and December 31, 2006		
Issued and outstanding 4,579,010 and 0 shares at September 30, 2007 and December 31, 2006, respectively	22,895	-
Additional paid-in capital	28,845,232	-
Common stock, \$.005 par value		
Authorized - 40,000,000 shares at September 30, 2007 and December 31, 2006		
Issued and outstanding 12,182,748 and 11,826,389 shares at September 30, 2007 and December 31, 2006, respectively	60,914	59,132
Additional paid-in capital	22,949,868	18,314,097
Accumulated other comprehensive income (loss)	-	(4,165)
Accumulated deficit	(31,293,236)	(12,775,910)
Total stockholders' equity	20,585,673	5,593,154
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 23,795,796	\$ 6,416,529

CLEVELAND BIOLABS, INC.

STATEMENT OF OPERATIONS

Three Months and Nine Months Ending September 30, 2007 and 2006 (unaudited)

	Three Months Ended		Nine Months Ended	
	September 30 2007 (unaudited)	September 30 2006 (unaudited)	September 30 2007 (unaudited)	September 30 2006 (unaudited)
REVENUES				
Grant	\$ 540,544	\$ 263,368	\$ 1,327,996	\$ 1,271,787
Service	120,000	60,000	290,000	205,000
	660,544	323,368	1,617,996	1,476,787
OPERATING EXPENSES				
Research and development	4,105,480	1,281,055	11,663,054	4,341,535
Selling, general and administrative	1,442,669	708,776	6,968,565	1,367,457
Total operating expenses	5,548,149	1,989,831	18,631,619	5,708,992
LOSS FROM OPERATIONS	(4,887,605)	(1,666,463)	(17,013,623)	(4,232,205)
OTHER INCOME				
Interest income	305,568	81,189	761,648	125,719
Sublease revenue	1,771	-	1,771	-
OTHER EXPENSE				
Interest expense	-	2,257	1,087	11,198
Corporate relocation	901,964	-	1,152,643	-
Loss on investment	305,479	-	305,479	-
NET LOSS	(5,787,709)	(1,587,531)	(17,709,413)	(4,117,684)
DIVIDENDS ON CONVERTIBLE PREFERRED STOCK				
	(807,913)	(22,035)	(807,913)	(215,933)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (6,595,622)	\$ (1,609,566)	\$ (18,517,326)	\$ (4,333,617)
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS PER SHARE OF COMMON STOCK - BASIC AND DILUTED				
	\$ (0.54)	\$ (0.15)	\$ (1.54)	\$ (0.55)
WEIGHTED AVERAGE NUMBER OF SHARES USED				

IN CALCULATING NET LOSS
PER SHARE,
BASIC AND DILUTED

12,148,718

10,681,032

12,010,177

7,922,195

5

CLEVELAND BIOLABS,
INC.

STATEMENTS OF STOCKHOLDERS' EQUITY AND
COMPREHENSIVE LOSS

Period From January 1, 2006 to
December 31, 2006 and to
September 30, 2007 (unaudited)

	Stockholders' Equity		Common Stock	
	Shares	Amount	Additional Paid-in Capital	Penalty Shares
Balance at January 1, 2006	6,396,801.00	31,984	3,338,020	81,125
Issuance of shares - previously accrued penalty shares	54,060	270	80,855	(81,125)
Issuance of shares - stock dividend	184,183	922	367,445	-
Issuance of penalty shares	15,295	76	(76)	-
Issuance of shares - initial public offering	1,700,000	8,500	10,191,500	-
Fees associated with initial public offering	-	-	(1,890,444)	-
Conversion of preferred stock to common stock	3,351,219	16,756	5,291,385	-
Conversion of notes payable to common stock	124,206	621	312,382	-
Issuance of options	-	-	506,078	-
Exercise of options	625	3	2,810	-
Issuance of warrants	-	-	114,032	-
Proceeds from sales of warrants	-	-	110	-
Net loss	-	-	-	-
Other comprehensive income Unrealized gains (losses) on short term investments				

Changes in unrealized holding gains (losses) arising during period	-	-	-	-
Less reclassification adjustment for (gains) losses included in net loss	-	-	-	-
Comprehensive loss				
Balance at December 31, 2006	11,826,389	\$ 59,132	\$ 18,314,097	\$ -
Issuance of options	-	-	2,745,287	-
Issuance of Series B Preferred Shares	-	-	-	-
Fees associated with Series B Preferred offering	-	-	-	-
Issuance of restricted shares	190,000	950	1,699,500	-
Exercise of options	118,296	591	100,709	-
Exercise of warrants	48,063	240	90,275	-
Dividends on Series B Preferred Shares	-	-	-	-
Net Loss	-	-	-	-
Other comprehensive income				
Unrealized gains (losses) on short term investments				
Changes in unrealized holding gains (losses) arising during period	-	-	-	-
Less reclassification adjustment for (gains) losses included in net loss	-	-	-	-
Comprehensive loss				
Balance at September 30, 2007	12,182,748	\$ 60,914	\$ 22,949,868	\$ -

CLEVELAND BIOLABS,
INC.

STATEMENTS OF STOCKHOLDERS' EQUITY AND
COMPREHENSIVE LOSS

Period From January 1, 2006 to
December 31, 2006 and to
September 30, 2007
(unaudited)

	Stockholders' Equity		Preferred Stock	
	Shares	Amount	Additional Paid-in Capital	Penalty Shares
Balance at January 1, 2006	3,051,219	15,256	4,932,885	360,000
Issuance of shares - previously accrued penalty shares	240,000	1,200	358,800	(360,000)
Issuance of shares - stock dividend	-	-	-	-
Issuance of penalty shares	60,000	300	(300)	-
Issuance of shares - initial public offering	-	-	-	-
Fees associated with initial public offering	-	-	-	-
Conversion of preferred stock to common stock	(3,351,219)	(16,756)	(5,291,385)	-
Conversion of notes payable to common stock	-	-	-	-
Issuance of options	-	-	-	-
Exercise of options	-	-	-	-
Issuance of warrants	-	-	-	-
Proceeds from sales of warrants	-	-	-	-
Net loss	-	-	-	-
Other comprehensive income Unrealized gains (losses) on short term investments				

Changes in unrealized holding gains (losses) arising during period	-	-	-	-
Less reclassification adjustment for (gains) losses included in net loss	-	-	-	-
Comprehensive loss				
Balance at December 31, 2006	-	\$ -	\$ -	\$ -
Issuance of options	-	-	-	-
Issuance of Series B Preferred Shares	4,288,712	21,444	29,999,540	-
Fees associated with Series B Preferred offering	290,298	1,451	(1,154,308)	-
Issuance of restricted shares	-	-	-	-
Exercise of options	-	-	-	-
Exercise of warrants	-	-	-	-
Dividends on Series B Preferred Shares	-	-	-	-
Net Loss	-	-	-	-
Other comprehensive income				
Unrealized gains (losses) on short term investments				
Changes in unrealized holding gains (losses) arising during period	-	-	-	-
Less reclassification adjustment for (gains) losses included in net loss	-	-	-	-
Comprehensive loss				
Balance at September 30, 2007	4,579,010	\$ 22,895	\$ 28,845,232	\$ -

CLEVELAND BIOLABS, INC.

STATEMENTS OF
STOCKHOLDERS' EQUITY AND
COMPREHENSIVE LOSS

Period From January 1, 2006 to
December 31, 2006 and to
September 30, 2007 (unaudited)

	Stockholders' Equity			Comprehensive Income (Loss)
	Other Comprehensive Income/(Loss)	Accumulated Deficit	Total	
Balance at January 1, 2006	(17,810)	(5,184,856)	3,556,604	
Issuance of shares - previously accrued penalty shares	-	-	-	
Issuance of shares - stock dividend	-	(368,410)	(43)	
Issuance of penalty shares	-	-	-	
Issuance of shares - initial public offering	-	-	10,200,000	
Fees associated with initial public offering	-	-	(1,890,444)	
Conversion of preferred stock to common stock	-	-	-	
Conversion of notes payable to common stock	-	-	313,003	
Issuance of options	-	-	506,078	
Exercise of options	-	-	2,813	
Issuance of warrants	-	-	114,032	
Proceeds from sales of warrants	-	-	110	
Net loss	-	(7,222,644)	(7,222,644)	(7,222,644)
Other comprehensive income				
Unrealized gains (losses) on short term investments				
Changes in unrealized holding gains (losses)				

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arising during period	6,678	-	6,678	\$	6,678
Less reclassification adjustment for (gains) losses					
included in net loss	6,967	-	6,967	\$	6,967
Comprehensive loss				\$	(7,208,999)
Balance at December 31, 2006	\$ (4,165)	\$ (12,775,910)	\$ 5,593,154		
Issuance of options	-	-	2,745,287		
Issuance of Series B Preferred Shares	-	-	30,020,984		
Fees associated with Series B Preferred offering	-	-	(1,152,857)		
Issuance of restricted shares	-	-	1,700,450		
Exercise of options	-	-	101,300		
Exercise of warrants	-	-	90,515		
Dividends on Series B Preferred Shares	-	(807,913)	(807,913)		
Net Loss	-	(17,709,413)	(17,709,413)		(17,709,413)
Other comprehensive income					
Unrealized gains (losses) on short term investments					
Changes in unrealized holding gains (losses)					
arising during period	-	-	-	\$	-
Less reclassification adjustment for (gains) losses					
included in net loss	4,165	-	4,165	\$	4,165
Comprehensive loss				\$	(17,705,248)
Balance at September 30, 2007	\$ -	\$ (31,293,236)	\$ 20,585,673		

CLEVELAND BIOLABS, INC.

STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30, 2007 and 2006 (unaudited)

	September 30 2007 (unaudited)	September 30 2006 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (17,709,413)	\$ (4,117,684)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	110,979	68,204
Noncash interest expense	-	9,929
Noncash salaries and consulting expense	4,445,737	439,684
Deferred compensation	-	4,852
Loss on investments	305,479	-
Changes in operating assets and liabilities:		
Accounts receivable - trade	(484,789)	(76,644)
Accounts receivable - interest	(7,008)	(5,170)
Prepaid expenses	167,907	(132,729)
Deposits	(12,392)	(3,055)
Accounts payable	320,563	308,797
Deferred revenue	1,846,763	(100,293)
Accrued expenses	269,424	15,596
Milestone payments	(50,000)	50,000
Total adjustments	6,912,663	579,172
Net cash (used by) provided by operating activities	(10,796,750)	(3,538,512)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/(purchase) of short-term investments	996,131	(500,000)
Issuance of notes receivable	(250,000)	-
Purchase of equipment	(831,430)	(143,693)
Costs of patents pending	(153,417)	(106,059)
Net cash (used in) provided by investing activities	(238,716)	(749,752)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of preferred stock	30,020,984	-
Financing costs	(1,152,857)	(1,679,456)
Dividends	(807,913)	(43)
Issuance of common stock	-	10,200,000
Exercise of stock options	101,300	2,813
Exercise of warrants	90,515	-
Issuance of warrants	-	100
Net cash (used in) provided by financing activities	28,252,029	8,523,413

INCREASE (DECREASE) IN CASH AND
EQUIVALENTS

17,216,563