

CLEVELAND BIOLABS INC
Form 424B3
May 15, 2007

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

Prospectus Supplement No. 1
(to Prospectus dated April 25, 2007)

CLEVELAND BIOLABS, INC.
4,453,601 Shares

This Prospectus Supplement No. 1 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. 1 contains additional information about the selling stockholders, and includes the attached Form 10-QSB of Cleveland BioLabs, Inc. dated May 15, 2007, as filed by us with the Securities and Exchange Commission.

This Prospectus Supplement No. 1 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 Any information that is modified or superseded in the Prospectus shall not be deemed to constitute a part of the Prospectus, except as modified or superseded by this Prospectus Supplement No. 1. 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. 1 is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus Supplement No. 1 is May 15, 2007.

EXPLANATORY NOTE

The following table of selling stockholders reflects the transfer by one of the selling stockholders, Serge Moyal, of a warrant to purchase 256 shares of common stock to Jay Rodin, who thereby became a selling stockholder on May 7, 2007. The following table further reflects the participation of certain of these selling stockholders in the private placement consummated on March 16, 2007.

This Prospectus Supplement No. 1 also includes the attached Form 10-QSB of Cleveland BioLabs, Inc. dated May 15, 2007, as filed by us with the Securities and Exchange Commission.

SELLING STOCKHOLDERS

This prospectus covers (i) shares of Series A preferred stock sold and shares of common stock underlying warrants sold in connection with our Series A preferred stock private placement, which Series A preferred stock upon consummation of our initial public offering converted to common stock, and (ii) shares of common stock underlying warrants issued to underwriters (or their designees) in our initial public offering. We are registering the shares being offered under this prospectus to satisfy registration rights that we have granted the selling stockholders. The selling stockholders and their transferees, pledgees, donees, assignees or successors, may from time to time offer and sell under this prospectus any or all of the shares listed opposite each of their names below.

The following table sets forth information about the number of shares owned by each selling stockholder that may be offered from time to time under this prospectus. Certain selling stockholders may be deemed to be “underwriters” as defined in the Securities Act. Any profits realized by the selling stockholder may be deemed to be underwriting commissions.

The table below has been prepared based upon information furnished to us regarding the selling stockholders, and we have not sought to verify this information. The selling stockholders identified below may have sold, transferred or otherwise disposed of some or all of their shares since the date on which the information in the following table is presented in transactions exempt from or not subject to the registration requirements of the Securities Act. Information concerning the selling stockholders may change from time to time and, if necessary, we will supplement this prospectus accordingly. Except with regard to warrants issued in connection with our initial public offering that are exercisable for common stock on or after July 26, 2007 and before July 25, 2011, beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act. Accordingly, with the stated exception, a person is deemed to be the beneficial owner of shares of common stock (or securities convertible into, or exercisable for, common stock) that can be acquired by that person within 60 days of May 7, 2007. The total amount of shares that may be sold hereunder will not exceed the number of shares offered hereby. Please read “Plan of Distribution.”

Except as noted below, to our knowledge, none of the selling stockholders has, or has had within the past three years, any position, office or other material relationship with us or any of our predecessors or affiliates, other than their ownership of shares described below.

Each selling stockholder identified below as an affiliate of a broker-dealer makes the following representations: (1) the seller purchased in the ordinary course of business and (2) at the time of the purchase of the securities to be resold, the seller had no agreements or understandings, directly or indirectly, with any person to distribute the securities.

Name and Address of Selling Stockholder	Shares of Common Stock Owned Before the Offering	Shares of Common Stock Being Offered	Shares of Common Stock Owned Upon Completion of the Offering	Percentage of Common Stock Outstanding Upon Completion of the Offering (1)
Smithfield Fiduciary LLC (2) c/o Highbridge Capital Management, LLC 9 West 57 th Street, 27 th Floor New York, New York 10019	296,489	296,489	-	-
Helen Goodfriend 44 Coconut Row Palm Beach, Florida 33480	59,296	59,296	-	-
JGB Capital L.P. (3) c/o Brett Cohen 660 Madison Ave., 21st Floor New York, New York 10021	351,489	296,489	55,000	*
FCC Ltd. (4) Levinstein Tower, 21st Floor 23 Menachem Begin Rd. Tel Aviv, Israel 66182	77,084	77,084	-	-
Leon Recanati Levinstein Tower, 21st Floor 23 Menachem Begin Rd. Tel Aviv, Israel 66182	83,016	83,016	-	-
Crestview Capital Master, LLC (5) 95 Revere Drive, Suite A Northbrook, Illinois 60062	296,489	296,489	-	-
CAMOFI Master LDC (6)	151,545	148,243	3,302	*

c/o Centrecourt
 Asset Management LLC
 350 Madison Avenue, 8th
 Floor
 New York, New York
 10017

Marcia Kucher (7) 641 Lexington Ave., 25th Floor New York, New York 10022	7,782	7,782	-	-
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Yael Lustmann 101 California Avenue, #204 Santa Monica, California 90403	23,717	23,717	-	-
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Robert Cohen (8) 2 Hickory Lane Scarsdale, New York 10583	88,946	88,946	-	-
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Bear Stearns Securities Corp. Custodian for Stuart Schapiro IRA (9) 41 Winged Foot Lynchmont, New York 10538	14,822	14,822	-	-
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Sunrise Equity Partners, LP (10) 641 Lexington Ave., 25th Floor New York, New York 10022	1,185,962	1,185,962	-	-
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Marilyn S. Adler (11) 641 Lexington Ave., 25th Floor New York, New York 10022	14,822	14,822	-	-
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F. Berdon Co. LP (12) 717 Post Rd., Suite 105 Scarsdale, New York 10583	130,946	88,946	42,000	*
John L. Gallagher (13) Kariba Capital 530 5th Avenue, 26th Floor New York, New York 10036	22,164	22,164	-	-
Derek L. Caldwell (14) 400 East 58th, Apt. PHA New York, New York 10022	121,625	121,625	-	-
Danny Gabay c/o Shaul Eyal 10 Hagalim Street Raanana, Israel 43596	88,946	88,946	-	-
Bear Stearns as Custodian for Nathan A. Low Roth IRA (15) 5 West 86 Street, apt. 5A New York, New York 10024	148,243	148,243	-	-
Philip and Maxine Patt 938 Stoney Run Drive West Chester, Pennsylvania 19382	29,648	29,648	-	-
Jay Lefkowitz 2211 Broadway #10L New York, New York 10024	29,648	29,648	-	-
Yossi Shasha Ahi Meir 24 Ramat Gan, Israel	14,822	14,822	-	-
Amnon Mandelbaum (16) 641 Lexington Ave., 25th Floor New York, New York 10022	349,443	349,443	-	-

Amnon Mandelbaum IRA NFS as Custodian (17) 641 Lexington Ave., 25th Floor New York, New York 10022	7,705	7,705	-	-
David Goodfriend (18) 641 Lexington Ave., 25th Floor New York, New York 10022	37,570	37,570	-	-
Yehuda Harats 45 Hashayarot St., Jerusalem, Israel 92544	71,155	71,155	-	-

Richard B. Stone (19) 122 E. 42nd St., Suite 2606 New York, New York 10168	128,473	128,473	-	-
Judith Green Berger Museum Towers 15 W.53rd St., Apt. 28D. New York, New York 10019	14,822	14,822	-	-
IRA Bear Stearns as Custodian 1625421 Ontario, Inc. (20) 532 Spring Gate Blvd. Thornhill, Ontario L4JSB7 Canada	48,205	41,505	6,700	*
Sem-Tov Yosef Chaim BenEsraim 5 Rishon Letzion, Israel 75514	14,822	14,822	-	-
Jonathon Andrew Stewart Harris No. 1 Martin Place GPO Box 4294 Sydney NSW 1164, Australia	27,193	27,193	-	-
Serge Moyal (21) 641 Lexington Ave., 25th Floor New York, New York 10022	10,553	3,853	6,700	*
David Filer (22) 165 East 32nd St., #2F New York, New York 10016	51,380	51,380	-	-
Nathan Low (23) 641 Lexington Ave., 25th Floor New York, New York 10022	251,701	251,701	-	-
	250,586	231,000	19,586	*

Sunrise Securities Corp.
 (24)
 641 Lexington Ave., 25th
 Floor
 New York, New York
 10022

Sunrise Foundation Trust (25) 641 Lexington Ave., 25th Floor New York, New York 10022	1,192	1,192	-	-
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Roth Capital Partners, LLC (26) 11100 Santa Monica Boulevard, Suite 550 Los Angeles, CA 90025	82,250	82,250	-	-
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Eric Abitbol (27) 201 East 69th Street, Apt. 15E New York, New York 10022	282	282	-	-
Samuel Berger (28) 1355 East 8th Street Brooklyn, New York 11230	51	51	-	-
Jeffrey Meyerson (29) 641 Lexington Ave., 25th Floor New York, New York 10022	649	649	-	-
National Securities (30) 120 Broadway, 27th Floor New York, New York 10271	1,100	1,100	-	-
Jay Rodin (31) 641 Lexington Ave., 25th Floor New York, New York 10022	256	256	-	-

* Less than 1%.

- (1) Except as otherwise required by Rule 13d-3 under the Exchange Act, this percentage ownership is based on 12,005,152 shares of common stock outstanding as of May 7, 2007.
- (2) Highbridge Capital Management, LLC is the trading manager of Smithfield Fiduciary LLC and has voting control and investment discretion over securities held by Smithfield Fiduciary LLC. Glenn Dubin and Henry Swieca control Highbridge Capital Management, LLC. Each of Highbridge Capital Management, LLC, Glen Dubin and Henry Swieca disclaim beneficial ownership of the securities held by Smithfield Fiduciary LLC.
- (3) The general partner of JGB Capital L.P. is JGB Management Inc. JGB Management Inc. has voting control and investment discretion over securities held by JGB Capital L.P. The President of JGB Management Inc. is Brett Cohen. Brett Cohen disclaims beneficial ownership of the securities held by JGB Capital L.P. Shares of common stock owned before the offering includes 296,489 shares of common stock and 55,000 shares of common stock underlying a warrant, which is currently exercisable. Does not include Series B Convertible Preferred Stock convertible into 26,786 shares of common stock or a warrant exercisable for 13,393 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7,

2007, unless stockholder approval is obtained, and the warrant is not exercisable within 60 days of May 7, 2007.

- (4) Yacov Reizman is the President of FCC Ltd. and has voting control and investment discretion over securities held by FCC Ltd. Yacov Reizman disclaims beneficial ownership of the securities held by FCC Ltd.
- (5) Crestview Capital Partners, LLC is the sole manager of Crestview Capital Master, LLC. The managers of Crestview Capital Partners, LLC are Robert Hoyt, Stewart Flink and Daniel Warsh, each of whom has voting control and investment discretion over securities held by Crestview Capital Master, LLC. Such persons disclaim beneficial ownership of the securities held by Crestview Capital Master, LLC.
- (6) Richard Smithline, Director of CAMOFI Master LDC, exercises voting and dispositive control over these shares. Shares of common stock owned before the offering includes Series B Convertible Preferred Stock convertible into 3,302 shares of common stock acquired in our March 16, 2007 private placement, which are currently convertible, but does not include Series B Convertible Preferred Stock convertible into 142,856 shares of common stock or warrants exercisable for 73,079 shares of common stock, because those certain shares of Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.

- (7) Shares of common stock owned before the offering includes 7,297 shares of common stock and 485 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Does not include warrant exercisable for 2,000 shares of common stock, which was acquired in the private placement consummated on March 16, 2007, because this warrant is not exercisable for common stock within 60 days of May 7, 2007.
- (8) Shares of common stock owned before the offering does not include Series B Convertible Preferred Stock convertible into 71,428 shares of common stock or a warrant exercisable for 35,714 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrant is not exercisable within 60 days of May 7, 2007.
- (9) Stuart Schapiro exercises voting and dispositive control over these shares. Stuart Schapiro also exercises voting and dispositive control over the securities owned by Rock Associates, a buyer in the March 16, 2007 private placement, consisting of Series B Convertible Preferred Stock convertible into 7,000 shares of common stock and a warrant exercisable for 3,500 shares of common stock. Neither the Series B Preferred nor the warrant are included in shares of common stock owned before the offering because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrant is not exercisable within 60 days of May 7, 2007.
- (10) Level Counter LLC is the general partner of Sunrise Equity Partners, LP. The three managing members of Level Counter LLC are Nathan Low, Amnon Mandelbaum, one of the Managing Directors of Investment Banking at Sunrise Securities Corp., and Marilyn Adler, who is otherwise unaffiliated with Sunrise Securities Corp., and a unanimous vote of all three persons is required to dispose of the securities of Sunrise Equity Partners, LP. Accordingly, each of such persons may be deemed to have shared beneficial ownership of the securities owned by Sunrise Equity Partners, LP. Such persons disclaim such beneficial ownership. Shares of common stock owned before the offering does not include Series B Convertible Preferred Stock convertible into 600,000 shares of common stock or a warrant exercisable for 300,000 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrant is not exercisable within 60 days of May 7, 2007. Also does not include Series B Convertible Preferred Stock convertible into 116,883 shares of common stock or warrants exercisable for 176,030 shares of common stock, which were acquired by Nathan Low in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (11) Shares of common stock owned before the offering does not include Series B Convertible Preferred Stock convertible into 4,000 shares of common stock or a warrant exercisable for 2,000 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrant is not exercisable within 60 days of May 7, 2007.
- (12) Frederick Berdon, Managing Partner of F. Berdon Co. LP, exercises voting and dispositive control over these shares. Shares of common stock owned before the offering includes Series B

Convertible Preferred Stock convertible into 42,000 shares of common stock acquired in our March 16, 2007 private placement, which are currently convertible, but does not include a warrant exercisable for 21,000 shares of common stock, which is not exercisable for common stock within 60 days of May 7, 2007.

- (13) Includes 21,551 shares of common stock and 613 shares of common stock underlying a warrant, which is currently exercisable.
- (14) Includes 118,265 shares of common stock and 3,360 shares of common stock underlying a warrant, which is currently exercisable.
- (15) Nathan A. Low exercises voting and dispositive control over these shares. Shares of common stock owned before the offering does not include Series B Convertible Preferred Stock convertible into 116,883 shares of common stock or warrants exercisable for 176,030 shares of common stock, which were acquired by Nathan Low in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.

- (16) Shares of common stock owned before the offering includes 240,102 shares of common stock, 70,146 shares of common stock underlying a warrant, which is currently exercisable, 12,516 shares of common stock underlying a second warrant, which is currently exercisable, and 26,679 shares of common stock underlying a third warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Does not include Series B Convertible Preferred Stock convertible into 72,771 shares of common stock or warrants exercisable for 96,419 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (17) Amnon Mandelbaum exercises voting and dispositive control over these shares. Shares of common stock owned before the offering does not include Series B Convertible Preferred Stock convertible into 72,771 shares of common stock or warrants exercisable for 96,419 shares of common stock, which were acquired by Amnon Mandelbaum in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (18) Shares of common stock owned before the offering includes 25,025 shares of common stock, 7,792 shares of common stock underlying a warrant, which is currently exercisable, 1,788 shares of common stock underlying a second warrant, which is currently exercisable, and 2,965 shares of common stock underlying a third warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Does not include Series B Convertible Preferred Stock convertible into 8,086 shares of common stock or warrants exercisable for 10,713 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (19) Includes 123,179 shares of common stock, 3,500 shares of common stock underlying a warrant, which is currently exercisable, and 1,794 shares of common stock underlying a second warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011.
- (20) Serge Moyal exercises voting and dispositive control over these shares. Shares of common stock owned before the offering includes Series B Convertible Preferred Stock convertible into 6,700 shares of common stock acquired by 1625421 Ontario Inc. in our March 16, 2007 private placement, which are currently convertible, but does not include a warrant exercisable for 3,350 shares of common stock, which is not exercisable for common stock within 60 days of May 7, 2007. Also does not include Series B Convertible Preferred Stock convertible into 3,000 shares of common stock or a warrant exercisable for 1,500 shares of common stock, which were acquired by Serge Moyal in the private placement, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrant is not exercisable within 60 days of May 7, 2007.
- (21) Shares of common stock owned before the offering includes 2,828 shares of common stock and 1,025 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Also includes Series B Convertible Preferred Stock convertible into 6,700 shares of common stock acquired by 1625421 Ontario Inc. in our March 16, 2007 private placement, which are currently convertible, but does not include a warrant exercisable

for 3,350 shares of common stock, which is not exercisable for common stock within 60 days of May 7, 2007. Also does not include Series B Convertible Preferred Stock convertible into 3,000 shares of common stock or a warrant exercisable for 1,500 shares of common stock, which were acquired by Serge Moyal in the private placement, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrant is not exercisable within 60 days of May 7, 2007.

- (22) Includes 46,980 shares of common stock and 4,400 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011.
- (23) Shares of common stock owned before the offering includes 120,002 shares of common stock, 72,311 shares of common stock underlying a warrant, which is currently exercisable, 11,324 shares of common stock underlying a second warrant, which is currently exercisable, and 48,064 shares of common stock underlying a third warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Does not include Series B Convertible Preferred Stock convertible into 116,883 shares of common stock or warrants exercisable for 176,030 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.

- (24) Nathan Low is the president and sole stockholder of Sunrise Securities Corp. and exercises voting and dispositive control over these shares. Shares of common stock owned before the offering does not include Series B Convertible Preferred Stock convertible into 52,174 shares of common stock or warrants exercisable for 74,087 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007. Also does not include Series B Convertible Preferred Stock convertible into 116,883 shares of common stock or warrants exercisable for 176,030 shares of common stock, which were acquired by Nathan Low in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (25) Nathan Low and Lisa Low are the two trustees of Sunrise Foundation Trust and exercise voting and dispositive control over these shares. Shares of common stock owned before the offering does not include Series B Convertible Preferred Stock convertible into 116,883 shares of common stock or warrants exercisable for 176,030 shares of common stock, which were acquired by Nathan Low in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (26) Includes 82,250 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Byron Roth, Chief Executive Officer of Roth Capital Partners, LLC, owns 72.6% of CR Financial Holdings Inc., which owns 72.05% of Roth Capital Partners, LLC. Byron Roth also directly owns 3% of Roth Capital Partners, LLC. Accordingly, Byron Roth exercises voting and dispositive control over these shares. Byron Roth disclaims beneficial ownership of the securities held by Roth Capital Partners, LLC. Gordon Roth, Chief Financial Officer of Roth Capital Partners, LLC, owns 4.7% of CR Financial Holdings Inc. Gordon Roth also directly owns 0.15% of Roth Capital Partners, LLC.
- (27) Shares of common stock owned before the offering includes 282 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Does not include Series B Convertible Preferred Stock convertible into 5,228 shares of common stock or warrants exercisable for 2,838 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (28) Shares of common stock owned before the offering includes 51 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Does not include Series B Convertible Preferred Stock convertible into 14,804 shares of common stock or warrants exercisable for 21,930 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.
- (29)

Shares of common stock owned before the offering includes 649 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Does not include Series B Convertible Preferred Stock convertible into 3,293 shares of common stock or warrants exercisable for 4,879 shares of common stock, which were acquired in the private placement consummated on March 16, 2007, because the Series B Preferred are not convertible into common stock within 60 days of May 7, 2007, unless stockholder approval is obtained, and the warrants are not exercisable within 60 days of May 7, 2007.

- (30) Includes 1,100 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011. Mark Goldwasser is the Chief Executive Officer and President of National Securities and exercises voting and dispositive control over these shares. Mark Goldwasser disclaims beneficial ownership of the securities held by National Securities.
- (31) Includes 256 shares of common stock underlying a warrant, which is exercisable on or after July 26, 2007 and before July 25, 2011.

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 March 31, 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.)

11000 Cedar Ave., Suite 290
CLEVELAND, OHIO 44106
(Address of principal executive offices and zip code)

(216) 229-2251
(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 March 31, 2007 there were 11,889,099 shares of registrant's common stock, \$0.005 par value

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

CLEVELAND BIOLABS INC
10-QSB
05/15/2007

TABLE OF CONTENTS

	PAGE
PART I - FINANCIAL INFORMATION	
ITEM 1:	Financial Statements
	Balance Sheets as of March 31, 2007 and December 31, 2006 2-3
	Statements of Operations For Three Months Ended March 31, 2007 and 2006 4
	Statements of Cash Flows For Three Months Ended March 31, 2007 and 2006 5
	Statement of Stockholders' Equity January 1, 2006 to December 31, 2007 and to March 31, 2007 6
	Notes to Condensed Consolidated Financial Statements 9
ITEM 2:	Management's Discussion and Analysis of Financial Conditions and Results of Operations 18
ITEM 3:	Controls and Procedures 29
PART II - OTHER INFORMATION	
ITEM 1:	Legal Proceedings 30
ITEM 2:	Unregistered Sales of Equity Securities and Use of Proceeds 30
ITEM 3:	Defaults Upon Senior Securities 30
ITEM 4:	Submission of Matters to a Vote of Securities Holders 30
ITEM 5:	Other Information 30
ITEM 6:	Exhibits 31
	Signatures 32

In this report, "Cleveland BioLabs," "CBL," "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

March 31, 2007 (unaudited) and December 31, 2006

	March 31 2007 (unaudited)	December 31 2006
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and equivalents	\$ 11,968,017	\$ 3,061,993
Short-term investments	18,699,965	1,995,836
Accounts receivable:		
Trade	214,048	159,750
Interest	53,255	42,479
Notes Receivable - Orbit Brands	300,000	50,171
Other prepaid expenses	512,969	434,675
Total current assets	31,748,254	5,744,904
EQUIPMENT		
Computer equipment	143,426	132,572
Lab equipment	348,730	347,944
Furniture	65,087	65,087
	557,243	545,603
Less accumulated depreciation	169,677	142,011
	387,566	403,592
OTHER ASSETS		
Intellectual Property	346,170	252,978
Deposits	15,055	15,055
	361,225	268,033
TOTAL ASSETS	\$ 32,497,045	\$ 6,416,529

CLEVELAND BIOLABS, INC.

BALANCE SHEETS

March 31, 2007 (unaudited) and December 31, 2006

	March 31 2007 (unaudited)	December 31 2006
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable:		
Trade	\$ 1,111,836	\$ 644,806
Accrued expenses	227,435	128,569
Total current liabilities	1,339,271	773,375
LONG-TERM LIABILITIES		
Milestone payables	300,000	50,000
Total long-term liabilities	300,000	50,000
STOCKHOLDERS' EQUITY		
Series B convertible preferred stock, \$.005 par value		
Authorized - 10,000,000 shares at March 31, 2007 and December 31, 2006	22,895	-
Issued and outstanding 4,579,010 and 0 shares at March 31, 2007 and December 31, 2006, respectively		
Additional paid-in capital	28,849,983	-
Common stock, \$.005 par value		
Authorized - 40,000,000 shares at March 31, 2007 and December 31, 2006		
Issued and outstanding 11,889,099 and 11,826,389 shares at March 31, 2007 and December 31, 2006, respectively	59,446	59,132
Additional paid-in capital	18,807,493	18,314,097
Accumulated other comprehensive income (loss)	-	(4,165)
Accumulated deficit	(16,882,043)	(12,775,910)
Total stockholders' equity	30,857,774	5,593,154
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 32,497,045	\$ 6,416,529

CLEVELAND BIOLABS, INC.

STATEMENT OF OPERATIONS

Three Months Ending March 31, 2007 and 2006 (unaudited)

	March 31 2007 (unaudited)	March 31 2006 (unaudited)
REVENUES		
Grant	\$ 271,445	\$ 453,424
Service	50,000	125,000
	321,445	578,424
OPERATING EXPENSES		
Research and Development	3,528,600	1,502,364
General and administrative	994,319	352,898
Total operating expenses	4,522,919	1,855,262
LOSS FROM OPERATIONS	(4,201,474)	(1,276,838)
OTHER INCOME (EXPENSE)		
Interest Income	96,429	29,139
Interest Expense	(1,088)	(4,446)
Total other income (expense), net	95,341	24,693
NET LOSS	\$ (4,106,133)	\$ (1,252,145)
DIVIDENDS ON CONVERTIBLE PREFERRED STOCK	-	(59,185)
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	\$ (4,106,133)	\$ (1,311,330)
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS PER SHARE OF COMMON STOCK - BASIC AND DILUTED		
	\$ (0.35)	\$ (0.20)
WEIGHTED AVERAGE NUMBER OF SHARES USED IN CALCULATING NET LOSS PER SHARE, BASIC AND DILUTED		
	11,854,027	6,495,408

CLEVELAND BIOLABS, INC.

STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2007 and 2006 (unaudited)

	March 31 2007 (unaudited)	March 31 2006 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (4,106,133)	\$ (1,252,145)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	27,666	20,241
Noncash interest expense	-	4,446
Noncash salaries and consulting expense	375,301	233,031
Changes in operating assets and liabilities:		
Accounts receivable - trade	(54,298)	(119,935)
Accounts receivable - interest	(10,605)	3,894
Other prepaid expenses	(78,293)	(3,380)
Deposits	-	(2,271)
Accounts payable	467,030	259,485
Deferred revenue	-	(100,293)
Accrued expenses	98,866	16,293
Milestone payments	250,000	-
Total adjustments	1,075,667	311,511
Net cash (used in) provided by operating activities	(3,030,466)	(940,634)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale/(purchase) of short-term investments	(16,699,965)	800,000
Issuance of notes receivable	(250,000)	-
Purchase of equipment	(11,640)	(87,243)
Costs of patents pending	(93,193)	(9,946)
Net cash (used in) provided by investing activities	(17,054,798)	702,811
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of preferred stock	30,020,984	-
Financing costs	(1,148,106)	(164,777)
Dividends	-	(23)
Issuance of common stock	118,410	-
Net cash (used in) provided by financing activities	28,991,288	(164,800)
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	8,906,024	(402,622)
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	3,061,993	1,206,462
CASH AND EQUIVALENTS AT END OF PERIOD	\$ 11,968,017	\$ 803,840

Supplemental disclosures of cash flow information:

Cash paid during the period for interest	\$	-	\$	-
Cash paid during the year for income taxes	\$	-	\$	-

Supplemental schedule of noncash financing activities:

Issuance of stock options to employees, consultants, and independent board members	\$	375,301	\$	233,032
Issuance of common stock dividend to preferred shareholders	\$	-	\$	183,552

5

CLEVELAND BIOLABS, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Period From January 1, 2006 to December 31, 2006 and to

March 31, 2007 (unaudited)

	Stockholders' Equity			
	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	-	-	375,301	-
Issuance of Series B Preferred Shares	-	-	-	-
	-	-	-	-

Fees associated with Series B Preferred offering							
Exercise of options	18,505		93	29,907	-		
Exercise of warrants	44,205		221	88,188	-		
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 March 31, 2007	11,889,099	\$	59,446	\$	18,807,493	\$	-
6							

CLEVELAND BIOLABS, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE LOSS

Period From January 1, 2006 to December 31, 2006 and to

March 31, 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		