

CLEVELAND BIOLABS INC
Form 10-Q
August 15, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 001-32954

CLEVELAND BIOLABS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 20-0077155
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

73 High Street, Buffalo, New York 14203
(Address of principal executive offices) (Zip Code)

(716) 849-6810
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (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 has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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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 July 29, 2016, there were 10,987,166 shares outstanding of the registrant's common stock, par value \$0.005 per share.

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In this Quarterly Report on Form 10-Q, unless otherwise stated or the context otherwise requires, the terms "Cleveland BioLabs," the "Company," "CBLI," "we," "us" and "our" refer to Cleveland BioLabs, Inc. and its consolidated subsidiaries, BioLab 612, LLC and Panacela Labs, Inc. Our common stock, par value \$0.005 per share, is referred to as "common stock."

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CONSOLIDATED CONDENSED BALANCE SHEETS

	June 30, 2016	December 31, 2015
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$5,412,067	\$5,918,424
Short-term investments	10,941,570	13,701,273
Accounts receivable	895,920	631,084
Other current assets	586,927	442,642
Total current assets	17,836,484	20,693,423
Equipment, net	54,394	122,958
Restricted cash	42,719	37,663
Other long-term assets	28,606	26,560
Total assets	\$ 17,962,203	\$ 20,880,604
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 144,166	\$ 197,134
Accrued expenses	1,383,281	1,584,826
Deferred revenue	161,213	11,892
Accrued warrant liability	3,183,350	4,048,900
Total current liabilities	4,872,010	5,842,752
Commitments and contingencies	—	—
Total liabilities	4,872,010	5,842,752
Stockholders' equity:		
Preferred stock, \$.005 par value; 10,000,000 shares authorized, 0 shares issued and outstanding as of June 30, 2016 and December 31, 2015	—	—
Common stock, \$.005 par value; 160,000,000 shares authorized, 10,987,166 shares issued and outstanding as of June 30, 2016 and December 31, 2015	54,932	54,932
Additional paid-in capital	158,773,753	158,764,985
Other comprehensive loss	(409,926)	(408,051)
Accumulated deficit	(150,647,095)	(147,978,831)
Treasury stock, at cost; 0 and 158,900 shares as of June 30, 2016 and December 31, 2015, respectively	—	(544,853)
Total Cleveland BioLabs, Inc. stockholders' equity	7,771,664	9,888,182
Noncontrolling interest in stockholders' equity	5,318,529	5,149,670
Total stockholders' equity	13,090,193	15,037,852
Total liabilities and stockholders' equity	\$ 17,962,203	\$ 20,880,604
See Notes to Consolidated Financial Statements		

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CLEVELAND BIOLABS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended June 30, 2016		For the Six Months Ended June 30, 2016	
	2015	2016	2015	2016
Revenues:				
Grants and contracts	\$575,025	\$329,908	\$1,387,525	\$937,237
Operating expenses:				
Research and development	1,292,167	1,583,169	3,233,407	3,194,139
General and administrative	777,107	1,597,556	1,960,673	3,905,427
Total operating expenses	2,069,274	3,180,725	5,194,080	7,099,566
Loss from operations	(1,494,249)	(2,850,817)	(3,806,555)	(6,162,329)
Other income (expense):				
Interest and other income (expense)	121,969	(81,416)	303,734	(127,810)
Foreign exchange gain	33,102	65,058	80,188	21,323
Change in value of warrant liability	(547,163)	(1,480,048)	865,550	(1,529,406)
Equity in loss of Incuron, LLC	—	(114,571)	—	(362,137)
Total other income (expense)	(392,092)	(1,610,977)	1,249,472	(1,998,030)
Net loss	(1,886,341)	(4,461,794)	(2,557,083)	(8,160,359)
Net loss (gain) attributable to noncontrolling interests	(11,527)	17,141	(8,721)	88.4
Storage and transportation	59.4	67.6		
Marketing, supply and logistics	31.2	36.4		
Related party (Note 11)	0.7	1.0		
	167.0	193.4		
Total revenues	536.0	731.5		
Costs of product/services sold (exclusive of items shown separately below):				
Product costs:				
Gathering and processing	175.4	258.2		
Marketing, supply and logistics	166.0	242.2		
Related party (Note 11)	4.3	8.3		
	345.7	508.7		
Service costs:				
Gathering and processing	0.1	0.2		
Storage and transportation	2.9	5.3		
Marketing, supply and logistics	14.7	15.5		
	17.7	21.0		
Total costs of products/services sold	363.4	529.7		
Expenses:				
Operations and maintenance	41.8	50.6		
General and administrative	23.0	27.5		
Depreciation, amortization and accretion	62.3	74.2		
	127.1	152.3		
Other operating expenses:				

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Loss on long-lived assets, net	—	(1.0)
Goodwill impairment	(109.7)	—
Operating income (loss)	(64.2)	48.5

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CRESTWOOD EQUITY PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS (continued)
(in millions, except unit and per unit data)
(unaudited)

	Three Months Ended March 31,	
	2016	2015
Earnings from unconsolidated affiliates, net	6.5	3.4
Interest and debt expense, net	(36.1)	(33.6)
Other income, net	0.1	0.2
Income (loss) before income taxes	(93.7)	18.5
Provision for income taxes	—	0.4
Net income (loss)	(93.7)	18.1
Net income attributable to non-controlling partners	5.9	9.8
Net income (loss) attributable to Crestwood Equity Partners LP	(99.6)	8.3
Net income attributable to preferred units	1.6	—
Net income (loss) attributable to partners	\$(101.2)	\$8.3
Subordinated unitholders' interest in net income	\$—	\$0.2
Common unitholders' interest in net income (loss)	\$(101.2)	\$8.1
Net income (loss) per limited partner unit:		
Basic	\$(1.47)	\$0.44
Diluted	\$(1.47)	\$0.44
Weighted-average limited partners' units outstanding (in thousands):		
Basic	68,912	18,280
Dilutive units	—	439
Diluted	68,912	18,719

See accompanying notes.

Table of ContentsCRESTWOOD EQUITY PARTNERS LP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

(unaudited)

	Three Months Ended March 31,	
	2016	2015
Net income (loss)	\$(93.7)	\$18.1
Change in fair value of Suburban Propane Partners, L.P. units	0.8	—
Comprehensive income (loss)	(92.9)	18.1
Comprehensive income attributable to non-controlling interest	5.9	9.8
Comprehensive income (loss) attributable to Crestwood Equity Partners LP	\$(98.8)	\$8.3

See accompanying notes.

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CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

(in millions)

(unaudited)

	Preferred Units	Preferred Capital	Partners' Common Units	Partners' Subordinated Units	Partners' Capital	Non-Controlling Partners	Total Partners' Capital
Balance at December 31, 2015	60.7	\$535.8	68.2	0.4	\$2,227.6	\$ 183.5	\$ 2,946.9
Distributions to partners	1.4	—	—	—	(95.6)	(3.8)	(99.4)
Unit-based compensation charges	—	—	0.9	—	4.5	—	4.5
Taxes paid for unit-based compensation vesting	—	—	—	—	(0.6)	—	(0.6)
Change in fair value of Suburban units	—	—	—	—	0.8	—	0.8
Other	—	—	—	—	0.1	—	0.1
Net income (loss)	—	1.6	—	—	(101.2)	5.9	(93.7)
Balance at March 31, 2016	62.1	\$537.4	69.1	0.4	\$2,035.6	\$ 185.6	\$ 2,758.6

See accompanying notes.