

Biotech Firm Collectar Biosciences Seeks \$5M Offering as FDA Breakthrough Fails to Offset Funding Gap

Filing Information

- **Company:** Collectar Biosciences INC
- **CIK:** 1279704
- **Filing Type:** S-1
- **Amended Filing:** No
- **Ticker:** CLRB
- **Filing Date:** June 26, 2025
- **State of Incorporation:** DE
- **Industry (SIC):** PHARMACEUTICAL PREPARATIONS
- **Accession Number:** 0001104659-25-062834
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Snapshot

Collectar Biosciences, Inc., a late-stage clinical biopharmaceutical company, has filed a Form S-1 registration statement to offer new securities to the public. The offering aims to raise approximately **\$5.0 million in net proceeds** to fund the initiation of a Phase 1b clinical trial for its radiopharmaceutical candidate, CLR 125, and for general working capital.

This filing occurs at a critical juncture for the company, marked by both significant clinical progress and acute financial pressure. The recent **FDA Breakthrough Therapy Designation** for its lead asset, iopofosine I 131, provides substantial validation for its proprietary Phospholipid Drug Conjugate (PDC™) platform. However, this positive development is set against a backdrop of urgent capital needs, evidenced by a recent **1-for-30 reverse stock split** to maintain Nasdaq compliance and an explicit statement that the proceeds from this offering are insufficient for completing its near-term clinical objectives.

The offering represents a necessary step to bridge a funding gap, but the company's long-term success will depend on its ability to secure a strategic partner for iopofosine and raise significant additional capital to advance its pipeline.

Company Overview and Clinical Pipeline

Collectar Biosciences focuses on developing cancer therapies using its PDC™ platform, which is designed to selectively deliver oncologic payloads to cancer cells, thereby improving efficacy and safety.

Key Pipeline Assets

- **Iopofosine I 131:** A beta-emitting radioconjugate that received **FDA Breakthrough Therapy Designation** on June 4, 2025, for the treatment of relapsed/refractory Waldenstrom macroglobulinemia (r/r WM). Data from its CLOVER-WaM Phase 2 study demonstrated statistically significant outcomes, meeting its primary endpoint. Due to the costs associated with a confirmatory

Phase 3 trial, Collectar is actively seeking a strategic partner to fund further development and commercialization.

- **CLR 121125 (CLR 125):** An Auger-emitting radiopharmaceutical targeting **triple-negative breast cancer (TNBC)**. The company submitted its Phase 1b study protocol to the FDA on June 24, 2025, and the initiation of this trial is the primary use for the proceeds of this offering.
- **CLR 121225 (CLR 225):** An alpha-emitting, actinium-225 based program showing promise in preclinical solid tumor models. A Phase 1 study is planned for late 2025, contingent on additional financing.

On April 30, 2025, the company announced it is exploring strategic alternatives, including mergers, acquisitions, and partnerships, to maximize shareholder value and advance its platform.

Details of the Public Offering

- **Securities Offered:** The company is offering up to **755,667 units** in two classes:
 - **Class A Units:** Comprising one share of common stock and one Common Warrant.
 - **Class B Units:** Comprising one Pre-Funded Warrant and one Common Warrant (offered to investors with beneficial ownership limitations).
- **Assumed Offering Price: \$7.94 per Class A Unit**, based on the last reported sale price of CLRB on June 25, 2025.
- **Warrant Terms:**
 - **Common Warrants:** Exercisable immediately with a five-year term.
 - **Pre-Funded Warrants:** Exercisable immediately with a perpetual term and a nominal exercise price of \$0.00001.
- **Over-Allotment Option:** Underwriters have an option to purchase up to an additional 113,350 shares of common stock and/or Common Warrants.
- **Lead Underwriter:** Ladenburg Thalmann & Co. Inc.

Financials

Collectar estimates net proceeds of approximately **\$5.0 million**. The funds are designated for:

1. Initiating the Phase 1b clinical study of CLR 125 in TNBC.
2. General corporate purposes, including working capital and operating expenses.

A critical disclosure in the filing is that these proceeds **will not be sufficient** to fund the CLR 125 trial through to a preliminary data readout. This highlights a significant near-term funding gap and underscores the company's dependency on future financing or a strategic transaction to continue operations and advance its clinical programs.

Significant Recent Developments

- **Reverse Stock Split (June 24, 2025):** A **1-for-30 reverse stock split** was effected to regain compliance with Nasdaq's \$1.00 minimum bid price requirement. This reduced the number of outstanding shares from approximately 54.4 million to 1.8 million.
- **Warrant Inducement (June 5, 2025):** The company raised approximately **\$2.5 million in gross proceeds** by inducing certain warrant holders to exercise their existing warrants for cash at a reduced exercise price.

- **FDA Breakthrough Designation (June 4, 2025):** The designation for iopofosine is a major value-inflection point, potentially expediting its development and review process and making it a more attractive asset for potential partners.

Notable Disclosures

The S-1 filing highlights several material risks for prospective investors:

- **Financial Risks:**
 - **Insufficient Funding & Going Concern:** The company explicitly states the current offering will not fully fund its planned clinical trial, and it requires substantial additional capital to continue operations.
 - **Dilution:** New investors will face immediate and substantial dilution in the net tangible book value of their shares.
 - **Uncertainty of Strategic Alternatives:** There is no guarantee that the company's exploration of strategic options will result in a favorable transaction.
- **Clinical and Regulatory Risks:** The success of Cellestar's pipeline is subject to the inherent uncertainties of clinical trials, including the risk of failure, unexpected side effects, and the lengthy and costly FDA approval process.
- **Operational Risks:** The company relies on third-party collaborators for manufacturing, which introduces risks related to supply chain and quality control. The filing also notes the recent identification of material weaknesses in internal controls over financial reporting.

Recap

Cellestar Biosciences presents a high-risk, high-reward investment profile characteristic of a late-stage biotechnology firm. The positive clinical data and FDA Breakthrough Designation for iopofosine provide strong validation of its PDC™ platform and create a valuable potential asset for a strategic partnership.

However, the company's financial position is precarious. The reverse stock split and this capital raise are defensive measures to maintain its listing and fund near-term operations. The success of this offering will provide a critical but short-term lifeline. The company's ability to execute on its strategy hinges on two key factors: securing a strategic partner for iopofosine to offload development costs and successfully raising significant additional capital in the near future to fund CLR 125 and its other pipeline assets.