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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K/A
(Amendment No. 2)

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

For the fiscal year ended December 31, 2016

☐ **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 001-36395

Cerulean Pharma Inc.
(Exact name of registrant as specified in its charter)

Delaware	**20-4139823**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
35 Gatehouse Drive Waltham, MA	**02451**
(Address of principal executive offices)	**(Zip code)**

781-996-4300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Name of Exchange on Which Registered
Common Stock, $0.0001 par value per share	**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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 Web site, 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2016 was approximately $47,569,338, based on the closing price of the registrant's common stock on The NASDAQ Global Market.

As of June 5, 2017, there were 29,031,728 of the Registrant's common shares, $0.0001 par value, issued and outstanding.

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EXPLANATORY NOTE

Cerulean Pharma Inc. (the "Company") is filing this Amendment No. 2 on Form 10-K/A (the "Amendment") to its Annual Report on Form 10-K for the fiscal year ended December 31, 2016, originally filed with the Securities and Exchange Commission on March 31, 2017 (the "Original 10-K") and amended by that certain Amendment No. 1 on Form 10-K/A filed on April 28, 2017 ("Amendment No. 1" and together with the Original 10-K, the "Annual Report"). This Amendment is being filed to include revised certifications of the Company's principal executive officer and principal financial officer in Exhibits 31.1 and 31.2, which replace the versions of those certifications that were previously filed as Exhibits 31.1 and 31.2 to the Original 10-K and as Exhibits 31.3 and 31.4 to Amendment No. 1, to add language regarding internal control over financial reporting that was inadvertently omitted from such previously filed certifications. Each certification, as corrected by this Amendment, was true and correct as of the filing date of each of the Original 10-K and Amendment No. 1. In addition, this Amendment is being filed to include the existing employment agreements between the Company and one of its named executive officers for the fiscal year ended December 31, 2016, Scott Eliasof, who serves as Senior Vice President and Chief Scientific Officer of the Company.

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Part II, Items 8 and 9A of the Annual Report are hereby restated in their entirety without material change, and Part IV, Item 15 of the Annual Report is hereby amended and restated in its entirety, with the only changes to Part IV, Item 15 being the addition of Dr. Eliasof's existing employment agreements, an updated consent from Deloitte & Touche LLP, new certifications by our principal executive officer and principal financial officer filed herewith and updated XBRL exhibits. Except as otherwise expressly set forth in this Amendment, no portion of the Annual Report is being amended or updated by this Amendment. Accordingly, this Amendment should be read in conjunction with the Annual Report and with our filings with the Securities and Exchange Commission subsequent to the Annual Report.

Unless we specify otherwise, all references in this Amendment to "we," "our," "us," or "the Company" refer to Cerulean Pharma Inc.

PART II

Item 8. Financial Statements and Supplementary Data

CERULEAN PHARMA INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Cerulean Pharma Inc.
Waltham, Massachusetts

We have audited the accompanying consolidated balance sheets of Cerulean Pharma Inc. and subsidiary (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, redeemable convertible preferred stock and stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cerulean Pharma Inc. and subsidiary as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements for the year ended December 31, 2016 have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's recurring use of cash to fund operations in combination with the rate of expenditures with no known probable source of capital raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 1 to the financial statements. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
March 31, 2017

CERULEAN PHARMA INC.

CONSOLIDATED BALANCE SHEETS (In thousands, except share data and par value)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 34,950	$ 75,908
Accounts receivable, prepaid expenses, and other current assets	1,840	1,394
Total current assets	36,790	77,302
Property and equipment, net	668	576
Other assets	230	347
Total	$ 37,688	$ 78,225
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of loan payable	$ 8,382	$ 7,652
Accounts payable	1,446	2,226
Accrued expenses	4,611	6,459
Current portion of deferred revenue	2,500	—
Total current liabilities	16,939	16,337
Long-term liabilities:		
Loan payable, net of current portion	4,439	12,672
Deferred revenue	1,993	—
Other long-term liabilities	1,206	473
Total long-term liabilities	7,638	13,145
Commitments (Note 11)		
Stockholders' equity:		
Preferred stock $0.01 par value; 5,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, $0.0001 par value; 120,000,000 shares authorized, 28,937,185 and 27,346,780 shares issued and outstanding at December 31, 2016 and 2015, respectively	3	3
Additional paid-in capital	213,788	210,115
Accumulated deficit	(200,680)	(161,375)
Total stockholders' equity	13,111	48,743
Total	$ 37,688	$ 78,225

See notes to consolidated financial statements.

CERULEAN PHARMA INC.

CONSOLIDATED STATEMENTS OF OPERATIONS (In thousands, except per share and share data)

	Years Ended December 31,		
	2016	2015	2014
Revenue	$ 766	$ —	$ 80
Operating expenses:			
Research and development	27,565	25,948	11,772
General and administrative	10,355	11,224	8,587
Total operating expenses	37,920	37,172	20,359
Other income (expense):			
Interest income	86	10	9
Interest expense	(2,237)	(2,432)	(1,083)
Loss on extinguishment of debt	—	—	(2,493)
Decrease in value of preferred stock warrant liability	—	—	504
Total other income (expense), net	(2,151)	(2,422)	(3,063)
Net loss attributable to common stockholders	$ (39,305)	$ (39,594)	$ (23,342)
Net loss per share attributable to common stockholders:			
Basic and diluted	$ (1.42)	$ (1.56)	$ (1.60)
Weighted-average common shares outstanding:			
Basic and diluted	27,710,403	25,431,332	14,548,516

See notes to consolidated financial statements.

CERULEAN PHARMA INC.

CONSOLIDATED STATEMENT OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)
(In thousands, except share data and par value)

	Redeemable Convertible Preferred Stock $0.01 Par Value		Common Stock $0.0001 Par Value		Additional Paid-In	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Deficit	Total
BALANCE — January 1, 2014	85,207,356	81,525	785,531	—	4,140	(98,439)	(94,299)
Exercise of stock options			41,566		140		140
Stock-based compensation					885		885
Issuance of common stock from initial public offering, net of underwriting fees and issuance costs of $7,126			9,569,715	1	59,861		59,862
Conversion of convertible preferred stock into common stock	(85,207,356)	(81,525)	6,826,004	1	81,525		81,526
Reclassification of warrants in connection with initial public offering					424		424
Conversion of convertible notes, net of issuance costs of $187			2,902,233		20,129		20,129
Net loss						(23,342)	(23,342)
BALANCE — December 31, 2014	—	—	20,125,049	2	167,104	(121,781)	45,325
Exercise of stock options			370,230		1,628		1,628
Stock-based compensation					2,375		2,375
Issuance of common stock from public offering, net of underwriting fees and issuance costs of $3,111			6,716,000	1	37,184		37,185
Issuance of common stock from private placement			135,501		1,000		1,000
Issuance of warrants in connection with term loan facility			—		824		824
Net loss						(39,594)	(39,594)
BALANCE — December 31, 2015	—	—	27,346,780	3	210,115	(161,375)	48,743
Issuance of common stock from employee stock purchase plan			37,712		78		78
Issuance of common stock for services			52,693		54		54
Stock-based compensation					2,755		2,755
Issuance of common stock from common stock purchase agreement, net of issuance costs of $214			1,500,000		786		786
Net loss						(39,305)	(39,305)
BALANCE — December 31, 2016	—	$ —	$28,937,185	$ 3	$ 213,788	$ (200,680)	$ 13,111

See notes to consolidated financial statements.

CERULEAN PHARMA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands)

	Years Ended December 31,		
	2016	2015	2014
Cash flows from operating activities:			
Net loss	$(39,305)	$(39,594)	$(23,342)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock-based compensation	2,755	2,375	885
Noncash rent expense	153	(41)	29
Change in carrying value of preferred stock warrant liability	—	—	(504)
Depreciation and amortization	261	192	126
(Gain) loss on disposal of property and equipment	4	(6)	(28)
Loss on extinguishment of debt	—	—	2,493
Amortization of debt discount and deferred financing costs	420	739	215
Deferred revenue	5,000	—	—
Amortization of deferred revenue	(507)	—	—
Changes in operating assets and liabilities:			
Accounts receivable, prepaid expenses and other current assets	(446)	342	(695)
Accounts payable	(603)	795	341
Accrued expenses	(1,268)	3,283	1,419
Net cash used in operating activities	(33,536)	(31,915)	(19,061)
Cash flows from investing activities:			
Purchases of property and equipment	(535)	(277)	(225)
Proceeds from sale of property and equipment	—	23	40
Increase (decrease) in restricted cash	117	(230)	—
Net cash used in investing activities	(418)	(484)	(185)
Cash flows from financing activities:			
Proceeds from sale of common stock	918	2,628	140
Proceeds from public stock offering, net	—	37,185	59,862
Proceeds from loan payable	—	21,000	—
Proceeds from issuance of convertible promissory notes	—	—	8,500
Payments on loan payable	(7,922)	(3,321)	(3,348)
Cash paid for debt issuance costs	—	(359)	(222)
Net cash (used in) provided by financing activities	(7,004)	57,133	64,932
Net increase (decrease) in cash and cash equivalents	(40,958)	24,734	45,686
Cash and cash equivalents — Beginning of year	75,908	51,174	5,488
Cash and cash equivalents — End of year	$ 34,950	$ 75,908	$ 51,174
Supplemental disclosures of noncash investing and financing activities:			
Purchase of property and equipment in accounts payable	$ —	$ 177	$ —
Conversion of redeemable convertible preferred stock into common stock	$ —	$ —	$ 81,526
Conversion of convertible notes and accrued interest into common stock, net	$ —	$ —	$ 20,129
Reclassification of warrants to additional paid-in capital	$ —	$ —	$ 424
Warrants issued with term loan facility	$ —	$ 824	$ —
Supplemental cash flow information — Interest paid	$ 1,293	$ 1,000	$ 400

See notes to consolidated financial statements.

CERULEAN PHARMA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND OPERATIONS

Nature of Business — Cerulean Pharma Inc. (the "Company") was incorporated on November 28, 2005, as a Delaware corporation and is located in Waltham, Massachusetts. The Company was formed to develop novel, nanotechnology-based therapeutics in the areas of oncology and other diseases. In 2013, the Company formed a wholly owned subsidiary, Cerulean Pharma Australia Pty Ltd as an Australian-based proprietary limited company to perform clinical activities in Australia.

The Company's operations have consisted primarily of raising capital, product research and development, and initial market development.

The Company has not generated any revenue related to its primary business purpose to date and is subject to a number of risks common to other development stage life science companies, including dependence on key individuals, competition from other companies, the need for development of commercially viable products, and the need to obtain adequate additional financing to fund the development of product candidates. The Company is also subject to a number of risks similar to other companies in the industry, including rapid technological change, regulatory approval of products, uncertainty of market acceptance of products, competition from substitute products and larger companies, the need to obtain additional financing, compliance with government regulations, protection of proprietary technology, dependence on third parties, product liability and dependence on key individuals.

The Company has an accumulated deficit of $200.7 million at December 31, 2016. The Company has financed its operations primarily through private placements of its preferred stock, proceeds from borrowings, an initial public offering completed in 2014 and a follow-on offering completed in 2015. In October 2016 the Company entered into a collaboration with Novartis Institutes for BioMedical Research, Inc. ("Novartis") to develop nanoparticle-drug conjugates combining the Company's proprietary Dynamic Tumor Targeting technology with Novartis' proprietary compounds. Under this collaboration the Company received important funding to support its research program. The Company has not completed development of any product candidate and has devoted substantially all of its financial resources and efforts to research and development, including preclinical and clinical development. Accordingly, the Company will continue to depend on its ability to raise capital through equity and debt issuances and/or through strategic partnerships. The Company expects to continue to incur significant expenses and increasing operating losses for at least several years.

As of December 31, 2016, the Company had cash and cash equivalents of $35.0 million. The Company has no other sources of significant liquidity in place as of December 31, 2016. The Company expects that its existing cash and cash equivalents will fund its operations into the second half of 2017 based on the Company's 2017 operating plan. The Company has undertaken a strategic review of potential financing alternatives such as the sale of the company, a merger, a business combination, a strategic investment into the company, or a sale, license or disposition of assets of the Company. If the Company is unable to obtain additional funding on a timely basis, it may be required to curtail or terminate research and development activities under its collaboration agreement with Novartis, or to scale back, suspend or terminate its business operations.

As more fully discussed in Note 17 Subsequent Events, pursuant to management's plans, in March 2017 the Company entered into a series of transactions including the payoff of its note payable to Hercules Capital for $12.4 million. The Company sold and assigned all of its right, title and interest in and to its clinical product candidates CRLX101 and CRLX301 for proceeds of $1.5 million. The Company also agreed to sell and assign to Novartis all of its right, title and interest in and to the patent rights, know-how and third-party license agreements relating to its Dynamic Tumor Targeting Platform technology for proceeds of $6.0 million, whereby the proceeds from this asset sale are to be received upon closing of the transaction. The Company also entered into a Stock Purchase Agreement with Daré Biosciences, Inc., which if approved by the shareholders, will be consummated by an exchange of common stock shares and no cash consideration paid or received.

With exception of the payoff of the note payable and the sale of the clinical product candidates, these transactions are subject to certain closing conditions. There can be no assurances that these transactions will be consummated prior to the exhaustion of the Company's cash and cash equivalent resources, if at all.

The foregoing matters give rise to substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

On an ongoing basis, the Company's management evaluates its estimates, including estimates related to clinical trial accruals, stock-based compensation expense, and reported amounts of revenues and expenses during the reported period. The Company bases its estimates on historical experience and other market-specific or other relevant assumptions that it believes to be reasonable under the circumstances. Although the Company regularly assesses these estimates, actual results could differ from those estimates. Changes in estimates are recorded in the period in which they become known.

Principles of Consolidation — The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany accounts and transactions have been eliminated.

Segment Information — Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business in one operating segment; however, the Company operates in two geographic regions: United States (Waltham, MA) and Australia (Sydney, NSW). There is no revenue generated or long-lived assets located within the Australian location.

Cash and Cash Equivalents — Cash equivalents include all highly liquid investments maturing within 90 days from the date of purchase and consist primarily of money market funds.

Concentrations of Credit Risk — Financial instruments that subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. Substantially all of the Company's cash and cash equivalents are held at one financial institution that management believes to be of high-credit quality. Deposits with this financial institution may exceed the amount of insurance provided on such deposits; however these deposits may be redeemed upon demand and, therefore, bear minimal risk.

Restricted Cash — At December 31, 2016 and 2015, the Company had restricted cash of $230,000 and $347,000, respectively. The restricted cash balances were used to collateralize stand-by letters of credit issued by the Company as a security deposit for its current and former facility leases. The balance at December 31, 2016, was with respect to the Company's current facility lease which is scheduled to expire in February 2021. The balance at December 31, 2015, includes the balance for the current facility lease and the Company's former facility lease which was scheduled to expire in February 2016 but was terminated early on December 31, 2015. The restricted cash is included within other assets in the balance sheet.

Property and Equipment — Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Repairs and maintenance costs are expensed as incurred, whereas major improvements are capitalized as additions to property and equipment.

Depreciation is provided using the straight-line method over the following estimated useful lives:

Laboratory equipment	5 years
Computer equipment	3 years
Office furniture and equipment	5 years
Leasehold improvements	Lesser of useful life or remaining lease term

Impairment of Long-Lived Assets — Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. When such events occur, the Company compares the carrying amounts of the assets to their undiscounted expected future cash flows. If this comparison indicates

that there is impairment, the amount of impairment is calculated as the difference between the carrying value and fair value. For the years ended December 31, 2016 and 2015, the Company has not recorded an impairment charge for its long-lived assets.

Revenue Recognition —

Collaborative Research and Development and Multiple-Element Arrangements

The Company has generated revenue through a research collaboration agreement for the development and commercialization of product candidates utilizing the Company's technologies. The agreement provides for multiple deliverables by the Company (for example, license rights, research and development services and manufacturing of clinical materials) in exchange for consideration to the Company of a combination of non-refundable upfront fees, research and development funding, contingent payments based upon achievement of clinical development or other milestones and royalties in the form of designated percentages of product net sales. The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 605-25, *Revenue Recognition: Multiple Element Arrangements*. Multiple-element arrangements, such as license and development agreements, are analyzed to determine whether the deliverables can be separated or whether they must be accounted for as a single unit of accounting. When deliverables are separable, consideration received is allocated to the separate units of accounting based on the relative selling price method and the appropriate revenue recognition principles are applied to each unit. When the Company determines that an arrangement should be accounted for as a single unit of accounting, it must determine the period over which the performance obligations will be performed, and revenue will be recognized over the performance period.

Under the research collaboration agreement, the Company is entitled to receive payments contingent upon the achievement of certain development, regulatory and sales milestones. Based on FASB ASC 605-28, *Revenue Recognition — Milestone Method*, the Company evaluates contingent milestones at inception or modification of the agreement, and recognizes consideration that is contingent upon the achievement of a milestone in its entirety as revenue in the period in which the milestone is achieved only if the milestone is considered substantive in its entirety. Milestones are events which have the following characteristics: (i) they can be achieved based in whole or in part on either the Company's performance or on the occurrence of a specific outcome resulting from the Company's performance, (ii) there was substantive uncertainty at the date the agreement was entered into that the event would be achieved and, (iii) they would result in additional payments due to the Company. A milestone is considered substantive if the following criteria are met: (i) the consideration is commensurate with either (1) the entity's performance to achieve the milestone, or (2) the enhancement of the value of the delivered item(s) as a result of a specific outcome resulting from the entity's performance to achieve the milestone, (ii) the consideration relates solely to past performance and, (iii) the consideration is reasonable relative to all of the other deliverables and payment terms, including other potential milestone consideration, within the arrangement.

The Company has evaluated each milestone in the research collaboration agreement under ASC 605-28. The Company has determined that each of the development and regulatory milestones are substantive, as they satisfy all of the criteria of ASC 605-28. As determined at the inception of the arrangement, each milestone is subject to substantive uncertainty, as each is dependent on the successful outcome of significant scientific research and clinical development to advance the product candidates and the clinical and/or regulatory success of the product candidates. Under the agreement the Company is entitled to receive up to $41.5 million in milestone payments for each defined program based upon achievement of specified preclinical, developmental, clinical and regulatory milestones. The Company is primarily responsible for the research and pre-clinical development of nanoparticle drug conjugates comprised of the Company's proprietary polymer covalently linked to selected active pharmaceutical ingredients that are nominated by the Company's partner for such development. In addition, the Company is required to assist with certain aspects of regulatory filings for marketing approval. As a result, the achievement of each development and regulatory milestone is based on a specific outcome achieved as a result of the Company's performance. These milestone payments are non-refundable and relate solely to past performance. Furthermore, the Company considers the milestone payment amounts to be reasonable in relation to the total arrangement consideration.

The Company may receive up to an additional $185.0 million in milestone payments based upon achievement of specified sales milestones. Unlike the development and regulatory milestones, the commercial milestones would be achieved solely as a result of the collaboration partner's performance. Because the commercial milestones are achieved after the completion of the Company's development activities under the collaboration agreement, the Company has no required obligations for deliverables under the collaboration with respect to any commercial products and therefore the Company has no future performance obligations related to the commercial milestones. These commercial milestones will not be treated as substantive based on the guidance in ASC 605-28-25-2, which requires substantive milestones to be based upon the Company's performance. The Company will account for any commercial milestone payment in the same manner as royalties, with revenue recognized upon achievement of the milestone, assuming all other revenue recognition criteria are met.

As more fully discussed in Note 17 Subsequent Events, pursuant to management's plans, in March 2017 the Company agreed to sell and assign to Novartis all of its right, title and interest in and to the patent rights, know-how and third-party license agreements relating to its Dynamic Tumor Targeting Platform technology for proceeds of $6.0 million, whereby the proceeds from this asset sale are to be received upon closing of the transaction. The consummation of this sale, will result in the termination of the collaboration. If the Company's stockholders do not approve the Novartis transaction and it is unable to obtain additional funding on a timely basis, it may be required to curtail or terminate research and development activities under its collaboration agreement with Novartis.

Deferred Revenue

Amounts received prior to satisfying the above revenue recognition criteria are recorded as deferred revenue in the accompanying consolidated balance sheets. Amounts not expected to be recognized within one year following the balance sheet date are classified as non-current deferred revenue.

Research and Development Costs — Research and development expenses consist of expenses incurred in performing research and development activities, including compensation and benefits for full-time research and development employees, an allocation of facilities expenses, overhead expenses, manufacturing process-development and scale-up activities, clinical trial and related clinical manufacturing expenses, fees paid to clinical research organizations, or CROs, and investigative sites, payments to universities under the Company's license agreements and other outside expenses. In the early phases of development, the Company's research and development costs are often devoted to expanding its product platform and are not necessarily allocable to a specific target. Research and development costs are expensed as incurred. Nonrefundable advanced payments, if any, for goods and services used in research and development are recognized as an expense as the related goods are delivered or services are performed.

Stock-Based Compensation — The Company accounts for stock-based awards at fair value, which is measured using the Black-Scholes option-pricing model. The fair value measurement date for employee awards is generally the date of grant. The fair value measurement date for nonemployee awards

is generally the date the performance of services is completed. Stock-based compensation costs are recognized as an expense over the requisite service period, which is generally the vesting period, on a straight-line basis for all time-vested awards. The Company issued performance based grants where the vesting of the grant is tied to certain milestone performance and in these cases, the compensation is recognized as expense when the probability of the milestone is met.

Stock-based awards to nonemployees are remeasured at each reporting date and recognized as services are rendered, generally on a straight-line basis. The Company believes that the fair value of these awards is more reliably measurable than the fair value of the services rendered. Stock-based compensation is classified in the accompanying consolidated statements of operations in the department where the related services are provided.

Net Loss per Share Attributable to Common Stockholders — Basic net loss attributable to common stockholders per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of

common shares outstanding for the period. During periods where the Company might earn net income, the Company would allocate participating securities a proportional share of net income determined by dividing total weighted average participating securities by the sum of the total weighted average common shares and participating securities (the "two-class method"). Participating securities have the effect of diluting both basic and diluted earnings per share during periods of income. During periods where the Company incurred net loss, the Company allocates no loss to participating securities because they have no contractual obligation to share in the losses of the Company. The Company computes diluted loss per common share after giving consideration to the dilutive effect of stock options and warrants that are outstanding during the period, except where such nonparticipating securities would be antidilutive.

Income Taxes — Deferred income taxes are provided for the temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and for operating loss carryforwards and credits. Deferred tax assets and liabilities are recorded using tax rates expected to be in effect in the year in which the differences are expected to reverse. A valuation allowance is provided for any net deferred tax assets for which management believes it is more likely than not that the net deferred tax assets will not be realized.

The Company provides liabilities for potential payment of tax to various tax authorities related to uncertain tax positions. The tax benefits recorded are based on a determination of whether and how much of a tax benefit taken by the Company in its filings or positions is "more likely than not" to be realized following resolution of any uncertainty related to the tax benefit, assuming the matter in question will be raised by the tax authorities. Potential interest and penalties associated with such uncertain tax positions are recorded as a component of income tax expense. At December 31, 2016 and 2015, the Company had approximately $0.7 million and $0.6 million, respectively, of total unrecognized tax benefits, which would affect income tax expense if recognized, before consideration of its valuation allowance. During fiscal year 2016, the Company did not make any payment of interest and penalties on unrecognized tax benefits. In addition, there was nothing accrued for in the consolidated balance sheets for the payment of interest and penalties at December 31, 2016.

Guarantees and Indemnification — As permitted under Delaware law, the Company indemnifies its officers and directors employees for certain events or occurrences while the officer or director is, or was serving at the Company's request in such a capacity. The term of the indemnification is for the officer's or director's lifetime. During the year ended December 31, 2016, the Company did not experience any losses related to these indemnification obligations. The Company does not expect significant claims related to these indemnification obligations, and consequently, has concluded the fair value of these obligations is not material. Accordingly, as of December 31, 2016 no amounts have been accrued related to such indemnification provisions.

Recent Accounting Pronouncements — In November 2016, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update 2016-18, "Statement of Cash Flows—Restricted Cash (Topic 230)". This new standard requires companies to include amounts generally described as restricted cash and restricted cash equivalents in cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This guidance is effective for annual and interim reporting periods beginning after December 15, 2017, and required retrospective application. The Company is currently evaluating the effect this standard will have on its consolidated financial statements and related disclosures.

In August 2016, the FASB issued Accounting Standards Update 2016-15, "Statement of Cash Flows (Topic 230)" ("ASU 2016-15"). ASU 2016-15 provides guidance to clarify how cash payments for debt prepayment or debt extinguishment costs are to be classified in the statement of cash flows. The standard is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company is currently evaluating the effect this standard will have on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued Accounting Standards Update 2016-09, "Compensation – Stock Compensation (Topic 718)" ("ASU 2016-09"). ASU 2016-09 is intended to simplify various aspects of how share-based payments are accounted for and presented in financial statements. The standard is effective prospectively for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016, with early adoption permitted. For amendments that are to be applied on a modified retrospective basis, a cumulative-effect adjustment will be calculated on the first day of the fiscal year of adoption, which will be recorded in retained earnings. The Company has early adopted ASU 2016-09 for its quarter ended December 31, 2016. As a result of the Company's adoption of ASU 2016-09, it will track option deductions in its net operating loss deferred tax asset on a modified retrospective basis, and has included the option deductions in the December 31, 2016 deferred tax assets. In addition, the Company's policy has been to estimate forfeitures as of the grant date. The

Company will continue to maintain its policy to estimate forfeiture as of the grant date in the future. The gross deferred tax asset and valuation allowance as of December 31, 2016, increased $163,000 as a result of the cumulative effect of adoption of ASU 2016-09. The adoption of ASU 2016-09 did not have a material impact on the Company's financial statements for the year ended and as of December 31, 2016.

In February 2016, the FASB issued Accounting Standards Update 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which provides new accounting guidance on leases. ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company is currently evaluating the impact of this new standard on its consolidated financial statements and related disclosures.

In August 2014, the FASB issued Accounting Standards Update 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties About an Entity's Ability to Continue as a Going Concern" ("ASU 2014-15"). ASU 2014-15 requires management to evaluate, at each annual and interim reporting period, whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern and provide related disclosures. ASU 2014-15 is effective for annual and interim reporting periods beginning January 1, 2017 and is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update 2014-09 (ASC 606), "Revenue from Contracts with Customers" (ASU 2015-09), which affects any entity that either enters into contracts with customers to transfer goods and services or enters into contracts for the transfer of nonfinancial assets. In August 2015, the FASB issued Accounting Standards Update 2015-14, "Revenue from Contracts with Customers" which defers the effective date of ASU 2014-09 for all entities by one year. ASU 2014-09, which has been codified with the Accounting Standards Codification as Topic 606, is now effective for public companies for annual reporting periods beginning after December 15, 2017, including interim periods within those reporting periods. ASC 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. In addition, ASC 606 provides guidance on accounting for certain revenue-related costs including, but not limited to, when to capitalize costs associated with obtaining and fulfilling a contract. ASC 606 provides companies with two implementation methods. Companies can choose to apply the standard retrospectively to each prior reporting period presented (full retrospective application) or retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application (modified retrospective application). Since ASU 2014-09 was issued, several additional Accounting Standards Updates have been issued and incorporated within ASC 606 to clarify various elements of the guidance. The Company plans to adopt this guidance on January 1, 2018. The Company has not yet determined whether it will utilize the full retrospective or the modified retrospective adoption method and continues to evaluate the impact that adoption will have on its consolidated financial statements.

3. NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company (in thousands, except share data and per share data):

	Years Ended December 31,		
	2016	2015	2014
Net loss attributable to common stockholders — basic and diluted	$ (39,305)	$ (39,594)	$ (23,342)
Weighted-average number of common shares — basic and diluted	27,710,403	25,431,332	14,548,516
Net loss per share attributable to common stockholders — basic and diluted	$ (1.42)	$ (1.56)	$ (1.60)

The Company has reported a net loss for all periods presented, therefore diluted net loss per common share is the same as basic net loss per common share.

The following potentially dilutive securities outstanding have been excluded from the computation of diluted weighted-average shares outstanding, because such securities had an antidilutive impact due to the losses reported (in common stock equivalent shares):

	As of December 31,		
	2016	2015	2014
Options to purchase common stock	4,020,288	3,454,926	2,126,176
Warrants to purchase common stock	365,564	300,564	128,663

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	As of December 31,	
	2016	2015
Laboratory equipment	$ 1,548	$ 1,314
Computer equipment	371	350
Office furniture and equipment	66	25
Leasehold improvements	75	33
	2,060	1,722
Less accumulated depreciation and amortization	(1,392)	(1,146)
Property and equipment, net	$ 668	$ 576

Depreciation and amortization expense for the years ended December 31, 2016, 2015, and 2014, was $261,000, $192,000, and $126,000, respectively.

5. ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	As of December 31,	
	2016	2015
Accrued clinical trial costs	$2,648	$2,631
Accrued contract manufacturing expenses	226	945
Accrued compensation and benefits	1,080	1,864
Accrued interest	82	136
Other accrued expenses	575	883
Total accrued expenses	$4,611	$6,459

6. LOAN AGREEMENTS

On January 8, 2015 (the “Closing Date”), the Company entered into a term loan facility of up to $26.0 million (the “Term Loan”) with Hercules Technology Growth Capital, Inc. (“Hercules”). The proceeds were used to repay the Company’s existing term loan facility with Lighthouse Capital Partners VI, L.P. (“Lighthouse Capital”) and for general corporate and working capital purposes. At December 31, 2016, the Company had $13.1 million in principal outstanding under the Term Loan.

The Term Loan is governed by a loan and security agreement, dated January 8, 2015, between the Company and Hercules (the “Hercules Loan Agreement”). The Hercules Loan Agreement provided for up to three separate borrowings, the first of which was funded in the amount of $15.0 million on the Closing Date. On November 24, 2015, the Company drew a second tranche in the amount of $6.0 million. The Company elected not to commence a randomized Phase 2 clinical study of CRLX101 in combination with chemoradiotherapy on or prior to December 15, 2015, which was a condition of obtaining an additional tranche in an amount of up to $5.0 million. As a result, the Company is no longer eligible to borrow this amount under the Term Loan.

The Term Loan will mature on July 1, 2018. Each advance under the Term Loan accrues interest at a floating per annum rate equal to the greater of (i) 7.30% or (ii) the sum of 7.30% plus the prime rate minus 5.75%. The Term Loan provided for interest-only payments on a monthly basis until December 31, 2015. Thereafter, payments are payable monthly in equal installments of principal and interest to fully amortize the outstanding principal over the remaining term of the loan, subject to recalculation upon a change in the prime rate. The Company may prepay the Term Loan in whole or in part upon seven business days' prior written notice to Hercules. Any such prepayment of the Term Loan is subject to a prepayment charge of 1.0%. Amounts outstanding during an event of default are payable upon Hercules' demand and shall accrue interest at an additional rate of 5.0% per annum of the past due amount outstanding. The minimum future principal payments are as follows (in thousands):

Year Ending December 31,	
2017	$ 8,533
2018	4,544
Unamortized discount relating to warrants and deferred financing costs	(256)
Total	12,821
Less current portion	(8,382)
Long-term portion	$ 4,439

At the end of the loan term (whether at maturity, by prepayment in full or otherwise), the Company shall pay a final end of term charge to Hercules in the amount of 6.7% of the aggregate original principal amount advanced by Hercules. The amount of the end of term charge is being accrued over the loan term as interest expense. As of December 31, 2016, the Company has accrued $1.1 million related to the end of term charge, which has been classified as other long-term liabilities.

In connection with the Hercules Loan Agreement, the Company issued to Hercules a warrant to purchase shares of the common stock of the Company at an exercise price of $6.05 per share. The warrant is exercisable for 171,901 shares of common stock. The warrant is exercisable until January 8, 2020. The Company estimated the fair value of the warrant for shares exercisable on the issue date in January 2015 to be $824,000. The value of the warrant was recorded as a discount to the loan. The fair value of the warrant was estimated on the date of issue for the exercisable shares at that date using the Black-Scholes option-pricing model. The following table shows the Black-Scholes assumptions used to value the warrant:

	January 8, 2015
Contractual life	5 years
Volatility rate	61%
Risk-free interest rate	1.5%
Expected dividends	—

At December 31, 2016, the Company's balance of unamortized deferred financing costs and unamortized debt discount were $0.1 million and $0.2 million, respectively. These costs are being amortized to interest expense using the effective interest method over the term of the loan.

In connection with the Hercules Loan Agreement, the Company entered into a stock purchase agreement with Hercules, whereby Hercules purchased 135,501 shares of common stock from the Company at a price per share of $7.38, which was equal to the closing price of the common stock on the NASDAQ Global Market on January 7, 2015, for an aggregate purchase price of approximately $1.0 million.

In December 2011, the Company entered into a loan and security agreement with Lighthouse Capital to borrow up to $10.0 million in one or more advances by December 31, 2012. In both March 2012 and August 2012, the Company borrowed $5.0 million under the loan and security agreement, for a total of $10.0 million. This amount was being repaid over 36 months beginning on December 1, 2012, at an interest rate of 8.25%. In addition, the Company was required to make an additional payment in the amount of $600,000 at the end of the loan term. The amount was accrued over the loan term as interest expense. The amount accrued as of December 31, 2014 was $574,000, and it was included in accrued expense in the Company's consolidated balance sheet. In January 2015, the Company repaid in full the amount outstanding under the Lighthouse Capital agreement, or $3.6 million, with the proceeds from the Hercules Loan Agreement.

In connection with the loan and security agreement with Lighthouse Capital, the Company issued Lighthouse Capital a warrant to purchase a maximum of 66,436 shares of the Company's Series D Preferred Stock, at an exercise price of $12.04 per share and with an expiration date 10 years from the date of issue (December 2021). The Company determined the fair value of the warrant at the end of each reporting period using the Black-Scholes option pricing model until the warrant converted to a warrant to purchase 66,436 shares of common stock upon the completion of the IPO. The value of the warrant was recorded as a discount to the loan and was being amortized as interest expense using the effective interest method over the 36-month repayment term. The unamortized discount relating to the warrants, or $0.2 million, was expensed as interest expense upon repayment of the loan in January 2015.

7. STOCKHOLDERS' EQUITY

Common Stock — In 2015, the Company issued 6,716,000 shares of common stock in connection with an underwritten public offering and during 2014 the Company issued 19,297,952 shares of common stock in connection with its IPO, the conversion of preferred stock and convertible notes into common stock, and the partial exercise of the underwriters' overallotment option in the IPO.

Common Stock Purchase Agreement –On October 14, 2016, the Company entered into a common stock purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC ("Aspire Capital"), which provides that, upon the terms and subject to the conditions and limitations set forth therein, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of shares of the Company's common stock over a term of 24 months from the execution of the Purchase Agreement. Immediately following the execution of the Purchase Agreement, the Company made an initial sale to Aspire Capital under the Purchase Agreement of 800,000 shares of common stock at a price of $1.25 per share, for gross proceeds of $1.0 million, and concurrently entered into a registration rights agreement with Aspire Capital registering the shares of the Company's common stock that have been and may be issued to Aspire Capital under the Purchase Agreement. In consideration for entering into the Purchase Agreement, the Company issued to Aspire Capital 700,000 shares of the Company's common stock as a commitment fee. The net proceeds of the Aspire Capital transaction, after offering expenses, to the Company were approximately $786,000. At December 31, 2016, up to $19.0 million of the Company's common stock that may be sold at the prevailing share price at the time of sale subject to conditions specified in the Purchase Agreement remains available.

Reserved Shares of Common Stock — The Company has reserved the following number of shares of common stock at December 31, 2016 and 2015:

	As of December 31,	
	2016	2015
Warrants to purchase common stock	365,564	300,564
Common stock options	4,020,288	3,995,876
Total	4,385,852	4,296,440

8. STOCK OPTION PLANS

2007 Stock Incentive Plan – The Company's 2007 Incentive Stock Plan, or the 2007 Plan, provides for the grant of qualified incentive stock options and nonqualified stock options or other awards to the Company's employees, officers, directors, advisors, and outside consultants to purchase up to an aggregate of 1,275,211 shares of the Company's common stock, as amended in January 2014. The stock options generally vest over a four-year period and expire 10 years from the date of grant. Certain options provide for accelerated vesting if there is a change in control, as defined in the 2007 Plan. Effective with the IPO, no additional grants will be issued from the 2007 Plan and all shares available for grant under the 2007 Plan were transferred to the 2014 Plan. Accordingly, at December 31, 2016 and 2015, there were no shares available for future grant under the 2007 Plan.

Prior to the IPO, in determining the exercise prices for options granted, the Company's board of directors considered the fair value of the common stock as of the measurement date. The fair value of the common stock was determined by the

board of directors at each award grant date based upon a variety of factors, including the results obtained from a common stock valuation, the Company's financial position and historical financial performance, the status of technological developments within the Company's products, the composition and ability of the current research and management team, an evaluation or benchmark of the Company's competition, the current business climate in the marketplace, the illiquid nature of the common stock, arm's-length sales of the Company's capital stock (including redeemable convertible preferred stock), the effect of the rights and preferences of the preferred shareholders, and the prospects of a liquidity event, among others.

2014 Stock Incentive Plan – In March 2014, the Company's board of directors adopted and its stockholders approved the 2014 Stock Incentive Plan, or the 2014 Plan, which became effective upon the closing of the IPO. The 2014 Plan provides for the grant of incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. The 2014 Plan provides an annual increase in the number of shares available for grant on the first day of each calendar year beginning with the fiscal year ended December 31, 2015 and continuing for each fiscal year until, and including, the fiscal year ending December 31, 2024, equal to the lesser of (i) 1,000,000 shares of common stock, (ii) 4% of the number of outstanding shares of common stock on such date and (iii) an amount determined by the Company's board of directors. As of December 31, 2016, there were 924,400 shares available for future grant under the 2014 Plan.

A summary of stock option activity for employee and nonemployee awards under the 2007 Plan and the 2014 Plan during the year ended December 31, 2016 is presented below (Aggregate Intrinsic Value in thousands):

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2016	3,454,926	$ 5.39	8.9	$ —
Granted	1,597,570	1.86		
Exercised	—			
Forfeited	(1,032,208)	4.12		
Outstanding at December 31, 2016	4,020,288	$ 4.31	8.4	$ —
Options exercisable at December 31, 2016	1,634,944	$ 5.41	7.7	$ —
Options vested and expected to vest at December 31, 2016	3,900,976	$ 4.33	8.4	$ —

The total intrinsic value of stock options exercised in the years ended December 31, 2016, 2015, and 2014 was $0, $0, and $161,000, respectively.

The weighted-average per share grant date fair value of options granted during 2016, 2015, and 2014 was $1.07, $3.22, and $3.33, respectively.

The Company has recorded stock-based compensation expense of $2.7 million, $2.4 million, and $885,000 during the years ended December 31, 2016, 2015, and 2014, respectively, which is based on the number of awards ultimately expected to vest. As of December 31, 2016, there was $4.1 million of unrecognized compensation cost related to unvested stock-based compensation arrangements granted under the 2007 Plan and the 2014 Plan. The compensation is expected to be recognized over a weighted-average period of 2.02 years at December 31, 2016.

Stock-based compensation expense recorded as research and development and general and administrative expenses is as follows (in thousands):

	As of December 31,		
	2016	2015	2014
Research and development	$1,098	$ 795	$317
General and administrative	1,657	1,580	568
Total	$2,755	$2,375	$885

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model based on the assumptions noted in the table below. Expected volatility for the Company's common stock was determined based on an average of the historical volatility of a peer-group of similar public companies. The Company has limited option exercise information, as such, the expected term of the options granted was calculated using the simplified method that represents the average of the contractual term of the option and the weighted-average vesting period of the option. The assumed dividend yield is based upon the Company's expectation of not paying dividends in the foreseeable future. The risk-free rate for periods within the contractual life of the option is based upon the U.S. Treasury yield curve in effect at the time of grant.

The assumptions used in the Black-Scholes option-pricing model for stock options granted to employees during the years ended December 31, 2016, 2015, and 2014 are as follows:

	December 31,		
	2016	2015	2014
Expected life	6 years	6 years	6 years
Risk-free interest rate	1.20%-2.32%	1.45%-2.02%	1.71%-2.00%
Expected volatility	61%-68%	51%-63%	54%-60%
Expected dividend rate	—%	—%	—%

The Company recorded stock-based compensation expense related to nonemployee awards of $77,000, $173,000, and $56,000 for the years ended December 31, 2016, 2015, and 2014, respectively. The compensation expense related to the nonemployee awards is included in the total stock-based compensation each year and is subject to re-measurement until the options vest. The Black-Scholes assumptions used to estimate the fair value of these awards for the years ended December 31, 2016, 2015, and 2014 were as follows:

	December 31,		
	2016	2015	2014
Expected life	10 years	10 years	8 years
Risk-free interest rate	1.56%-2.43%	2.10%-2.25%	1.86%-2.53%
Expected volatility	60%-61%	60%-61%	56%-62%
Expected dividend rate	—%	—%	—%

During the year ended December 31, 2016, the Company granted nonemployee stock options to consultants for the purchase of 140,000 shares of the Company's common stock. The weighted-average exercise price and the weighted-average fair value of nonemployee stock options granted for the year ended December 31, 2016, was $1.08 per share and $0.46 per share, respectively. The fair value of the grants is being expensed over the vesting period of the options on a straight-line basis as the services are being provided. On September 4, 2015, nonemployee stock options to purchase 90,000 shares of the Company's common stock were converted to employee stock options upon the appointment of the Company's Chief Medical Officer who had been serving as a consultant to the Company until his appointment. The exercise price and the fair value of these stock options is $4.71 per share and $2.71 per share, respectively. The Company did not grant any nonemployee stock option grants in 2014.

In 2012, the Company granted options to purchase 60,934 common shares to an officer of the Company, now the Company's Chief Executive Officer, that will vest upon the achievement of business milestones as defined within the stock option agreement. These awards have not vested as of December 31, 2016. Compensation expense for the awards will be recorded if and when the awards are determined to be probable.

2014 Employee Stock Purchase Plan – In March 2014, the Company's board of directors adopted and its stockholders approved the 2014 Employee Stock Purchase Plan (the "2014 ESPP"), which became effective upon the closing of the IPO. The 2014 ESPP will be administered by the Company's board of directors or by a committee appointed by the Company's board of directors. The 2014 ESPP initially provides participating employees with the opportunity to purchase up to an aggregate 500,000 of shares of the Company's common stock. The number of shares of the Company's common stock reserved for issuance under the 2014 ESPP will automatically increase on the first day of each fiscal year, commencing on January 1, 2015 and ending January 1, 2024, in an amount equal to the least of (i) 600,000 shares of the Company's common

stock, (ii) 1% of the total number of shares of the Company's common stock outstanding on the first day of the applicable year, or (iii) an amount determined by the Company's board of directors. There are two six-month offerings per year. The first offering period under the 2014 ESPP began on July 1, 2015. The compensation expense related to the 2014 ESPP is included in the total stock-based compensation. The stock-based compensation expense related to the ESPP for the year ended December 31, 2016 and 2015, was $24,000 and $27,000, respectively. There was no stock-based compensation related to the 2014 ESPP recorded for the year ended December 31, 2014.

9. FAIR VALUE MEASUREMENTS

The Company's financial instruments consist of cash equivalents, accounts payable, accrued expenses, debt obligations, and preferred stock warrants. The carrying amount of accounts payable and accrued expenses are considered a reasonable estimate of their fair value, due to the short-term maturity of these instruments. The carrying amount of debt is also considered to be a reasonable estimate of the fair value based on the short-term nature of the debt and that the debt bears interest at the prevailing market rate for instruments with similar characteristics. If recorded at fair value, Level 2 measurements, as defined below, would have been used to estimate the fair value. Included in cash and cash equivalents as of December 31, 2016 and 2015, are money market fund investments of $35.0 million and $75.3 million, respectively, which are reported at fair value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value are performed in a manner to maximize the use of observable inputs and minimize the use of unobservable inputs.

The accounting standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

Level 1 — Quoted prices (unadjusted) in active markets that are accessible at the market date for identical unrestricted assets or liabilities.

Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs for which all significant inputs are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A summary of the financial assets and liabilities that are measured on a recurring basis at fair value as of December 31, 2016 and 2015, is as follows (in thousands):

		Fair Value Measurements Using		
	Carrying Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2016				
Money market funds	$34,950	$ —	$ 34,950	$ —
December 31, 2015				
Money market funds	$75,325	$ —	$ 75,325	$ —

The Company's money market funds have been valued on the basis of valuations provided by third-party pricing services, as derived from such services' pricing models. Inputs to the models may include, but are not limited to, reported trades, executable bid and asked prices, broker/dealer quotations, prices or yields of securities with similar characteristics, benchmark curves or information pertaining to the issuer, as well as industry and economic events. The pricing services may use a matrix approach, which considers information regarding securities with similar characteristics to determine the valuation for a security. The Company is ultimately responsible for the consolidated financial statements and underlying estimates. Accordingly, the Company assesses the reasonableness of the valuations provided by the third-party pricing services by reviewing actual trade data, broker/dealer quotes and other similar data, which are obtained from quoted market prices or other sources.

For the years ended December 31, 2016 and 2015, there have been no transfers between levels.

10. INCOME TAXES

Significant components of the Company's deferred taxes at December 31, 2016, and 2015 are as follows:

	2016	2015
Net operating loss carryforwards	$ 42,211	$ 35,797
Research and development credit carryforwards	2,486	2,066
Capitalized costs	4,453	3,977
Capitalized research and development costs	24,923	17,715
Other	1,878	903
Total deferred tax assets	75,951	60,458
Valuation allowance	(75,951)	(60,458)
Net deferred tax assets	$ —	$ —

The Company has provided a valuation allowance for the full amount of deferred tax assets as the realization of the deferred tax assets is not determined to be more-likely-than-not. The valuation allowance increased in 2016 and 2015 by approximately $15.5 million and $15.6 million, respectively, due to the increases in the deferred tax assets by the same amounts. The increases are mainly attributable to operating losses generated in the period.

A reconciliation of income tax expense computed at the statutory federal income tax rate to income taxes as reflected in the financial statements is as follows:

	Years Ended December 31,	
	2016	2015
Federal income tax expense at statutory rate	34.0%	34.0%
State income tax, net of federal benefit	5.0%	5.0%
Permanent differences	(0.6%)	(0.5%)
Research and development credit	1.1%	0.9%
Stock compensation	(0.5%)	(0.7%)
Other	0.2%	0.4%
Change in valuation allowance	(39.2%)	(39.1%)
Effective income tax rate	0.0%	0.0%

At December 31, 2016, the Company has approximately $109.7 million of federal and $90.2 million of state net operating loss carryforwards that expire at various dates through 2036. At December 31, 2016, the Company has approximately $1.7 million of federal and $1.1 million of state research and development credit carryforwards that expire at various dates through 2036 for federal credits and 2031 for state credits.

At December 31, 2015, the Company has approximately $93.7 million of federal and $74.1 million of state net operating loss carryforwards that expire at various dates through 2035. At December 31, 2015, the Company has approximately $1.4 million of federal and $0.9 million of state research and development credit carryforwards that expire at various dates through 2035 for federal credits and 2030 for state credits.

The Company has early adopted the provisions of ASU 2016-09, Compensation – Stock Compensation (Topic 718 Improvements to Employee Share-Based Payment Accounting), for its quarter ended December 31, 2016. ASU 2016-09 requires companies to include the benefit of an option deduction in its net operating loss carryforward deferred tax asset. Prior to its adoption of ASU 2016-09, the Company's excess tax benefits associated with option deductions were maintained in the Company's APIC pool of windfall tax benefits, which was tracked off balance sheet and not included in its deferred tax assets. As a result of the Company's adoption of ASU 2016-09, it will track option deductions in its net operating loss

deferred tax asset on a modified retrospective basis, and has included the option deductions in the December 31, 2016 deferred tax assets. The gross deferred tax asset and valuation allowance as of December 31, 2016 increased $163,000 as a result of the cumulative effect of adoption of ASU 2016-09. The Company has not recast its December 31, 2015 and December 31, 2014 deferred tax assets or its rate reconciliation, and therefore the option deductions in 2015 and 2014 are not included in the net operating loss deferred tax asset as originally reported. Since the Company has historically maintained a full valuation allowance on its net worldwide deferred tax asset, there is no net impact to retained earnings from the adoption of ASU 2016-09.

Realization of the future tax benefits is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carryforward period. The future realization of the net operating loss carryforwards may also be limited by the change of ownership rules of the Internal Revenue Service under Section 382 and 383 of the Internal Revenue Code. If substantial changes in ownership should occur, there could be annual limitations on the amount of carryforwards that can be realized in future periods. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years. The Company has completed numerous financings since its inception which may have resulted in a change in control as defined by Sections 382 and 383 of the Internal Revenue Code, or could result in a change in control in the future.

The Company files income tax returns in the United States, the Commonwealth of Massachusetts, and Australia. The tax years 2008 through 2016 remain open to examination by these taxing jurisdictions, as carryforwards attributes generated in past years may be adjusted in a future period. The Company is currently not under examination by the Internal Revenue Service or any other jurisdictions for any tax years. At December 31, 2016 and 2015, the Company had approximately $0.7 million and $0.6 million, respectively, of total unrecognized tax benefits, which would affect income tax expense if recognized, before consideration of the Company's valuation allowance. During fiscal year 2016, the Company did not make any payment of interest and penalties on unrecognized tax benefits. In addition, there was nothing accrued for in the consolidated balance sheets for the payment of interest and penalties at December 31, 2016.

11. COMMITMENTS

Facility Lease — On July 9, 2015, the Company entered into a noncancelable operating lease with a third party for office, laboratory and vivarium space that is scheduled to expire in February 2021, subject to a three-year renewal option. The lease agreement includes base rent escalation over the lease term which will be amortized on a straight-line basis over the lease term with the resulting deferred liability recorded in other current and long-term liabilities. The resulting deferred liability recorded in other current and long-term liabilities as of December 31, 2016 was $153,000. The lease requires the Company to share in prorated expenses and property taxes based upon actual amounts incurred; those amounts are not fixed for future periods and, therefore, not included in the future minimum obligations listed below. Rent expense under this lease was $728,000 for the year ended December 31, 2016.

The Company amended the lease, effective March 29, 2017, to remove 1,753 square feet from the lease, which space was previously used for vivarium and vivarium support purposes. The Company's base rent and share in expenses and property taxes have been reduced based on the revised pro-rata allocation of the premises.

Future minimum lease payments under the non-cancelable operating lease are as follows (in thousands):

Years Ending December 31,	Operating Leases
2017	$ 690
2018	738
2019	786
2020	830
2021	140
Total	$ 3,184

Potential Payments upon Termination or Change in Control —On March 19, 2017, the Company entered into retention agreements with certain executive officers. These retention agreements supersede the provisions of such executive

officers' employment agreements and retention letters with the Company providing for post-separation benefits, and provide for certain lump sum payments ranging from 6 to 18 months of salary, plus health and dental insurance coverage, while also providing the covered executives with a cash bonus upon completion of a change in control. Under the terms of the retention agreements, the Company may be required to pay up to approximately $1.8 million.

12. LICENSING AGREEMENTS

Calando License — The Company has a product license agreement and a platform license agreement with Calando Pharmaceuticals, Inc. ("Calando"). Under the product license agreement, the Company may be required to pay Calando up to $32.8 million upon the achievement of specified regulatory and commercial milestones and pay tiered royalty payment ranging from low-to mid-single digits on commercial sales.

Under the platform license agreement, the Company paid Calando a $250,000 clinical development milestone which was recorded in December 2014 upon initiation of the Phase 1/2a clinical trial for CRLX301. The Company may be required to make additional milestone payments to Calando of up to $17.8 million, in the aggregate, upon the achievement of specified regulatory and commercial milestones and pay royalty payments ranging from low-to mid-single digits on commercial sales.

In March 2014, Calando entered Chapter 7 bankruptcy in the District of Delaware and, as a result, the intellectual property rights the Company has obtained from Calando are subject to potential risks that may arise in connection with bankruptcy. For instance, while the Company's ability to develop and/or commercialize its current product candidates and its ability to utilize its platform are not dependent on the rights that it licenses from Calando, its license agreements with Calando could be rejected in connection with Calando's bankruptcy, in which case, the Company could, subject to elections and other rights and defenses that may be available to it, lose certain rights granted to it under such licenses. On March 3, 2015, Calando's bankruptcy trustee submitted an application with the bankruptcy court seeking authority to retain a broker to sell Calando's rights in certain assets including its rights in the license agreements with the Company, the Company has reserved its rights with respect to any such sale. The trustee's last deadline was February 7, 2017. To our knowledge, no sale of such rights was ever consummated.

SUNY License — The Company is party to a license agreement with The Research Foundation of State University of New York ("SUNY") for certain intellectual property. The agreement as amended requires the Company to pay nonrefundable annual license maintenance fees each year until the date of first commercial sale of a licensed product pursuant to the license agreement, as amended. The annual license fee is not material in any individual year. In the event of future partner collaborations or product sales incorporating technology covered by this license agreement, the Company may be required to pay milestone payments and/or product royalties. In connection with this agreement, the Company recorded research and development expense of $30,000, $30,000, and $25,000 for the years ended December 31, 2016, 2015, and 2014, respectively.

Massachusetts Institute of Technology License — The Company delivered a notice of termination which became effective on November 1, 2015, with respect to the Company's license agreement with the Massachusetts Institute of Technology ("MIT"). The agreement as amended required the Company to pay MIT nonrefundable annual license maintenance fees that increased each year beginning in 2015. In connection with this agreement, the Company recorded research and development expense for annual maintenance fees of $50,000 for the year ended December 31, 2015, and $10,000 in the year ended December 31, 2014.

13. RETIREMENT PLANS

The Company has a 401(k) retirement and profit-sharing plan (the "401(k) Plan") covering all qualified employees. The 401(k) Plan allows each participant to contribute a portion of their base wages up to an amount not to exceed an annual statutory maximum. Effective January 1, 2010, the Company adopted a Safe Harbor Plan that provides a Company match up to 4% of salary. The Company contributed a match of $292,000, $264,000, and $163,000 to the 401(k) Plan for the years ended December 31, 2016, 2015, and 2014, respectively.

14. RELATED PARTY TRANSACTIONS

In April 2013, the Company entered into a laboratory, equipment sharing, services and license agreement with an entity affiliated with one of the Company's directors. Fees recorded offsetting research and development expenses under this agreement and paid in the year ended December 31, 2014, were $39,000. On April 1, 2014, the Company sold used equipment to this entity and recorded proceeds from the sale of $30,000. The agreement was terminated on April 1, 2014.

15. REVENUE

In October 2016, the Company entered into a research collaboration agreement with Novartis pursuant to which the Company granted to Novartis certain exclusive, world-wide licenses to the Company's intellectual property relating to its platform technology and know-how. Under the collaboration, the Company and Novartis agreed to collaborate, over an initial research term of two years, with respect to the pre-clinical development of nanoparticle drug conjugates comprised of the Company's proprietary polymer covalently linked to Novartis-selected active pharmaceutical ingredients for up to five targets to be agreed upon by the Company and Novartis. Novartis may extend the initial research term by up to two additional one-year periods. In October 2016, the Company received a $5.0 million upfront payment under the collaboration which it will recognize on a straight-line basis over the initial term of the collaboration. The Company will also receive funding from Novartis for up to five full-time employees of the Company to be engaged in activities under the collaboration during the research term. For the year ended December 31, 2016, the Company recognized revenue of $507,000 in connection with the upfront fee and $259,000 in connection with the funding for activities performed under the collaboration during the research term.

In 2013, the Company entered into material transfer agreements with two separate biopharmaceutical companies to conduct feasibility studies using the Company's proprietary technology. The Company recognized revenue of $80,000 for the year ended December 31, 2014, in connection with these material transfer agreements. The Company had no revenue for the years ended December 31, 2016 and 2015 related to these agreements.

16. QUARTERLY FINANCIAL DATA (unaudited)

The following table summarizes the unaudited quarterly financial data for the last two fiscal years:

CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except share data and per share data)

	Year Ended December 31, 2016			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ —	$ —	$ —	$ 766
Operating expenses:				
Research and development	9,770	7,522	7,089	3,184
General and administrative	3,118	2,773	2,374	2,090
Total operating expenses	12,888	10,295	9,463	5,274
Other income (expense):				
Interest income	16	25	25	20
Interest expense	(670)	(589)	(521)	(457)
Total other income (expense) — net	(654)	(564)	(496)	(437)
Net loss attributable to common stockholders	$ (13,542)	$ (10,859)	$ (9,959)	$ (4,945)
Net loss per share attributable to common stockholders:				
Basic and diluted	$ (0.49)	$ (0.40)	$ (0.36)	$ (0.17)
Weighted-average common shares outstanding:				
Basic and diluted	27,362,643	27,363,965	27,383,376	28,724,083

	Year Ended December 31, 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ —	$ —	$ —	$ —
Operating expenses:				
Research and development	5,021	6,678	7,092	7,157
General and administrative	2,681	2,717	2,954	2,872
Total operating expenses	7,702	9,395	10,046	10,029
Other income (expense):				
Interest income	3	1	4	2
Interest expense	(721)	(513)	(509)	(689)
Total other income (expense) — net	(718)	(512)	(505)	(687)
Net loss attributable to common stockholders	$ (8,420)	$ (9,907)	$ (10,551)	$ (10,716)
Net loss per share attributable to common stockholders:				
Basic and diluted	$ (0.41)	$ (0.37)	$ (0.39)	$ (0.39)
Weighted-average common shares outstanding:				
Basic and diluted	20,350,557	26,690,673	27,307,103	27,346,780

17. SUBSEQUENT EVENTS

In February 2017, the Company announced that its board of directors initiated a review of strategic alternatives that could result in changes to the Company's business strategy and future operations. As part of this process, the board determined to review alternatives with the goal of maximizing stockholder value, including a potential sale of the Company, a reverse merger, a business combination or a sale, license or other disposition of company assets.

The Company entered into a payoff letter dated as of March 17, 2017 with Hercules pursuant to which the Company agreed to pay off and thereby terminate the Hercules Loan Agreement. Pursuant to the payoff letter, the Company paid, on March 20, 2017, a total of $12.4 million to Hercules, representing the principal, accrued and unpaid interest, fees, costs and expenses outstanding under the Hercules Loan Agreement in repayment of its outstanding obligations under the Hercules Loan Agreement. This payoff amount included a final end of term charge to Hercules in the amount of $1.4 million, representing 6.7% of the aggregate original principal amount advanced by Hercules. As of December 31, 2016, the Company has accrued $1.1 million of the end of term charge. Upon the payment of the $12.4 million pursuant to the payoff letter, all outstanding indebtedness and obligations owed to Hercules under the Loan Agreement were deemed paid in full, and the Loan Agreement was terminated.

On March 19, 2017, the Company entered into an asset purchase agreement (the "Novartis Asset Purchase Agreement") with Novartis. Under the Novartis Asset Purchase Agreement the Company agreed to sell and assign to Novartis all of the Company's right, title and interest in and to the patent rights, know-how and third-party license agreements relating to the Company's proprietary Dynamic Tumor Targeting Platform (the "Platform"). At the closing of the Novartis transaction, Novartis will be obligated to pay a purchase price of $6.0 million. Consummation of the Novartis transaction is subject to certain closing conditions, including, among other things, approval by the Company's stockholders.

On March 19, 2017, the Company also entered into an asset purchase agreement (the "BlueLink Asset Purchase Agreement) with BlueLink Pharmaceuticals, Inc. ("BlueLink"). Under the BlueLink Asset Purchase Agreement the Company sold and assigned to BlueLink all of the Company's right, title and interest in and to its clinical product candidates CRLX101 and CRLX301 (the "Products"). The Company also transferred and assigned to BlueLink the accompanying intellectual property rights and know-how to the Products. On March 21, 2017, BlueLink paid the purchase price of $1.5 million. Also in connection with the BlueLink Asset Purchase Agreement, the Company and BlueLink entered into a license agreement in favor of BlueLink, pursuant to which the Company agreed to grant to BlueLink an exclusive, worldwide, perpetual, sublicensable right and license, under the Platform, to research, develop and commercialize the Products. Pursuant to the Novartis Asset Purchase Agreement between the Company and Novartis, Novartis will assume the BlueLink License upon the closing of the Novartis transaction.

On March 19, 2017, the Company also entered into a stock purchase agreement (the "Stock Purchase Agreement") with Daré Bioscience, Inc. ("Daré"), and the holders of capital stock and securities convertible into capital stock of Daré named therein ("Selling Stockholders"), pursuant to which, among other things, the Selling Stockholders agreed to sell to the Company, and the Company agreed to purchase from the Selling Stockholders, all of the outstanding shares of capital stock, including those issuable upon conversion of convertible securities, of Daré (the "Daré Transaction"). Immediately following the closing of the Daré Transaction, the Selling Stockholders are expected to own between approximately 51% and 70% (depending on the net cash positions of the Company and Daré at closing) of the outstanding equity securities of Cerulean Pharma Inc. Consummation of the Daré Transaction is subject to certain closing conditions, including, among other things, approval by the Company's stockholders. The exchange ratio, and therefore fair value of exchange consideration, are indeterminable at this time, and as such the full disclosures required under Accounting Standards Codification 805, Business Combinations, are impracticable. The Stock Purchase Agreement contains certain termination rights for both the Company and Daré, and further provides that, upon termination of the Stock Purchase Agreement under specified circumstances, the Company may be required to pay Daré a termination fee of $0.3 million, or Daré may be required to pay the Company a termination fee of $0.45 million. There can be no assurances that the Daré Transaction will be consummated.

On March 20, 2017, the Company announced a restructuring including the elimination of approximately 58% of its workforce, to a total of eight full-time equivalent employees, under a plan expected to be completed during the second quarter of 2017.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Our management, under the supervision and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on such evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2016.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(e) under the Exchange Act.

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in "Internal Control-Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that, as of December 31, 2016, our internal control over financial reporting was effective.

This annual report does not include an attestation report of our registered public accounting firm on internal control over financial reporting due to an exemption established by the JOBS Act for "emerging growth companies".

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART IV

ITEM 15. Exhibits, Financial Statements Schedules

(a)(1) *Financial Statements*

Our consolidated financial statements are set forth in Part II, Item 8 of this Amendment and are incorporated herein by reference.

(a)(2) *Financial Statement Schedules*

All financial schedules have been omitted because the required information is either presented in the consolidated financial statements or the notes thereto or is not applicable or required.

(a)(3) *Exhibits*

The exhibits required by Item 601 of Regulation S-K and Item 15(b) of this Amendment are listed in the Exhibit Index immediately preceding the exhibits and are incorporated herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CERULEAN PHARMA INC.

Date: June 13, 2017

By: /s/ Christopher D.T. Guiffre
Christopher D.T. Guiffre
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Christopher D.T. Guiffre *Christopher D.T. Guiffre*	President, Chief Executive Officer, and Director *(Principal Executive Officer)*	June 13, 2017
/s/ Gregg D. Beloff *Gregg D. Beloff*	Interim Chief Financial Officer *(Principal Financial Officer)*	June 13, 2017
/s/ James E. O'Neill *James E. O'Neill*	Corporate Controller *(Principal Accounting Officer)*	June 13, 2017

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Exhibit Index

Exhibit Number	Description of Exhibit	Incorporated By Reference				Filed Herewith
		Form	File Number	Date of Filing	Exhibit Number	
2.1	Stock Purchase Agreement dated as of March 19, 2017, entered into by and among the Registrant, Daré Bioscience, Inc. and equityholders of Daré Bioscience, Inc. named therein	10-K	001-36395	March 31, 2017	2.1	
2.2	Asset Purchase Agreement dated as of March 19, 2017, entered into by and between the Registrant and Novartis Institutes for BioMedical Research, Inc.	10-K	001-36395	March 31, 2017	2.2	
2.3	Asset Purchase Agreement dated as of March 19, 2017, entered into by and between the Registrant and BlueLink Pharmaceuticals, Inc.	10-K	001-36395	March 31, 2017	2.3	
3.1	Restated Certificate of Incorporation	8-K	001-36395	April 16, 2014	3.1	
3.2	Amended and Restated By-Laws	8-K	001-36395	April 16, 2014	3.2	
3.3	Amendment to Amended and Restated By-laws	8-K	001-36395	March 20, 2017	3.1	
4.1	Specimen Stock Certificate evidencing the shares of common stock	S-1/A	333-194442	March 31, 2014	4.1	
10.1#	2007 Stock Incentive Plan, as amended	S-1	333-194442	March 10, 2014	10.1	
10.2#	Form of Incentive Stock Option Agreement under 2007 Stock Incentive Plan	S-1	333-194442	March 10, 2014	10.2	
10.3#	Form of Nonstatutory Stock Option Agreement under 2007 Stock Incentive Plan	S-1	333-194442	March 10, 2014	10.3	
10.4#	2014 Stock Incentive Plan	S-1	333-194442	March 31, 2014	10.4	
10.5#	Form of Incentive Stock Option Agreement under 2014 Stock Incentive Plan	S-1	333-194442	March 31, 2014	10.5	
10.6#	Form of Nonstatutory Stock Option Agreement under 2014 Stock Incentive Plan	S-1	333-194442	March 31, 2014	10.6	
10.7#	2014 Employee Stock Purchase Plan	S-1	333-194442	March 31, 2014	10.26	
10.8†	License Agreement, dated as of May 22, 2000, as amended, between California Institute of Technology and Insert Therapeutics, Inc.	S-1	333-194442	March 10, 2014	10.7	
10.8†	IT-101 Agreement, dated as of June 23, 2009, between the Registrant and Calando Pharmaceuticals, Inc.	S-1	333-194442	March 10, 2014	10.10	
10.10†	Platform Agreement, dated as of June 23, 2009, between the Registrant and Calando Pharmaceuticals, Inc.	S-1	333-194442	March 10, 2014	10.11	
10.11†	Letter Agreement, dated as of August 6, 2013, between the Registrant and California Institute of Technology	S-1	333-194442	March 10, 2014	10.12	
10.12	Second Series D Convertible Preferred Stock Purchase Agreement, dated November 30, 2012, as amended	S-1	333-194442	March 10, 2014	10.13	
10.13	Warrant, dated January 8, 2015, issued to Hercules Technology Growth Capital, Inc.	8-K	001-36395	January 8, 2015	4.1	
10.14#	Form of Indemnification Agreement between the Registrant and each of its Executive Officers and Directors	S-1	333-194442	March 10, 2014	10.16	
10.15	Warrant to purchase shares of Series B Convertible Preferred Stock issued by the Registrant to Silicon Valley Bank	S-1	333-194442	March 10, 2014	10.18	
10.16	Form of Stock Purchase Warrant of the Registrant to purchase shares of Series C Convertible Preferred Stock	S-1	333-194442	March 10, 2014	10.19	
10.17	Preferred Stock Purchase Warrant to purchase shares of Series D Convertible Preferred Stock issued by the Registrant to Lighthouse Capital Partners VI, L.P., as amended	S-1	333-194442	March 10, 2014	10.20	

10.18#	Amended and Restated Employment Agreement dated March 27, 2015 between the Registrant and Christopher D.T. Guiffre	S-1	333-202917	March 30, 2015	10.26	
10.19	Lease, dated July 9, 2015, between the Registrant and AstraZeneca Pharmaceuticals Limited Partnership	10-Q	001-36395	August 6, 2015	10.1	
10.20#	Consulting Agreement, dated May 27, 2015, between the Registrant and Danforth Advisors LLC	10-Q	001-36395	August 6, 2015	10.2	
10.21#	Employment Agreement, dated September 4, 2015, between the Registrant and Adrian Senderowicz, M.D.	10-Q	001-36395	November 16, 2015	10.3	
10.22#	Employment Agreement, dated September 23, 2014, between the Registrant and Alejandra V. Carvajal	10-K	001-36395	March 10, 2016	10.26	
10.23#	Amendment to Employment Agreement dated December 1, 2015, between the Registrant and Alejandra V. Carvajal	10-K	001-36395	March 10, 2016	10.27	
10.24#	Stock Option Agreement and Contingent Consideration Award Agreement, dated March 31, 2013, between the Registrant and Alan Crane	S-1	333-194442	March 10, 2014	10.24	
10.25#	Amendment to the Stock Option Agreement and Termination of Contingent Consideration Award dated September 16, 2014, by and between the Registrant and Alan Crane	10-Q	001-36395	November 13, 2014	10.4	
10.26#	Amendment, dated May 27, 2016, to consulting agreement, dated as of May 27, 2015, between the Registrant and Danforth Advisors LLC	10-Q	001-36395	August 4, 2016	10.1	
10.27#	Amendment, dated November 1, 2016, to consulting agreement, dated as of May 27, 2015, between the Registrant and Danforth Advisors LLC	10-Q	001-36395	November 3, 2016	10.1	
10.28#	Summary of Non-employee Director Compensation Policy	10-Q	001-36395	November 3, 2016	10.2	
10.29	Common Stock Purchase Agreement, dated October 14, 2016 between the Registrant and Aspire Capital Fund, LLC	8-K	001-36395	October 18, 2016	99.1	
10.30	Registration Rights Agreement, dated October 14, 2016, between the Registrant and Aspire Capital Fund, LLC	8-K	001-36395	October 18, 2016	99.2	
10.31†	Research Collaboration Agreement, dated October 18, 2016, between the Registrant and Novartis Institutes for BioMedical Research, Inc.	10-Q	001-36395	November 3, 2016	10.3	
10.32#	Form of Retention Letter between the Registrant and each of its executive officers	8-K	001-36395	November 8, 2016	99.1	
10.33	Support Agreement dated as of March 19, 2017, entered into by and among the Registrant, Daré Bioscience, Inc. and shareholders of Cerulean Pharma Inc. named therein.	8-K	001-36395	March 20, 2017	10.1	
10.34	License Agreement dated as of March 19, 2017, entered into by and between the Registrant and BlueLink Pharmaceuticals, Inc.	8-K	001-36395	March 20, 2017	10.2	
10.35	Payoff Letter dated as of March 17, 2017, entered into by and between the Registrant and Hercules Capital, Inc. (formerly known as Hercules Technology Growth Capital, Inc.)	8-K	001-36395	March 20, 2017	10.3	
10.36#	Retention Agreement dated as of March 19, 2017, entered into by and between the Registrant and Christopher D.T. Guiffre	8-K	001-36395	March 20, 2017	10.4	
10.37#	Retention Agreement dated as of March 19, 2017, entered into by and between the Registrant and Adrian Senderowicz	8-K	001-36395	March 20, 2017	10.5	
10.38#	Retention Agreement dated as of March 19, 2017, entered into by and between the Registrant and Alejandra Carvajal	8-K	001-36395	March 20, 2017	10.6	
10.39	First Amendment of Lease, dated March 29, 2017, to Lease dated July 9, 2015, between the Registrant and AstraZeneca Pharmaceuticals Limited Partnership	10-K	001-36395	March 31, 2017	10.39	
10.40	Retention Agreement dated as of March 19, 2017, between the Registrant and Scott Eliasof, together with the Employment Agreement dated as of October 25, 2016, between the Registrant and Scott Eliasof					X
21.1	Subsidiaries of the Registrant	10-K	001-36395	March 31, 2017	21.1	
23.1	Consent of Deloitte & Touche LLP	10-K	001-36395	March 31, 2017	23.1	

23.2	Consent of Deloitte & Touche LLP					X
31.1	Certification of principal executive officer pursuant to Rule 13a-14(a)/15d 14(a) of the Securities Exchange Act of 1934, as amended					X
31.2	Certification of principal financial officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended					X
32.1	Certification of principal executive officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	10-K	001-36395	March 31, 2017	32.1	
32.2	Certification of principal financial officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	10-K	001-36395	March 31, 2017	32.2	
32.3	Certification of principal executive officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.4	Certification of principal financial officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Label Linkbase Document					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document					X

* All schedules (or similar attachments) have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Registrant will furnish copies of any schedules to the Securities and Exchange Commission upon request.

Management contracts or compensatory plans or arrangements required to be filed as an exhibit hereto pursuant to Item 15(a) of Form 10-K.

† Confidential treatment has been granted as to certain portions, which portions have been omitted and filed separately with the Securities and Exchange Commission.

VIA HAND DELIVERY

March 19, 2017

Scott Eliasof

Re: Retention Agreement

Dear Scott:

As you know, Cerulean Pharma, Inc. (the "Company") is exploring the possibility of a number of business opportunities and transactions. We recognize and appreciate the contributions you have made to the Company during your employment and want you to remain committed to and focused on the tasks that you are assigned during this time.

Accordingly, in lieu of providing you with any of the post-employment separation benefits set forth in the Amended and Restated Employment Agreement between you and the Company dated October 25, 2016 (the "Employment Agreement"), the Company has determined that you will be eligible to (i) receive a retention bonus payment equal to six (6) months of pay at your current base salary rate (the "Retention Amount"), and (ii) receive an additional lump sum payment to assist you with the costs of obtaining health insurance in the amount of (x) the Company's current monthly contribution to Company-provided health and dental insurance coverage currently in effect with respect to your current coverage elections multiplied by (y) six (6) (the "Health Assistance Payment"), in each case payable at the time and on the conditions set forth below and less all applicable taxes and withholdings, provided that: (a) your employment with the Company is not terminated by the Company for Cause (as defined below) or, for at least six (6) months following the date of this letter agreement, by you for any reason without the Company's agreement; (b) you execute and deliver to the Company no later than March 23, 2017 the Release of Claims Agreement attached hereto as Exhibit A (the "Release Agreement"); and (c) you execute and deliver to the Company on, but not before, your last day of employment, the Reaffirmation of Release of Claims Agreement attached hereto as Exhibit B (the "Reaffirmation").

In addition, pursuant to the letter from the Company dated November 8, 2016 (the "November 2016 Letter"), you became eligible for a retention bonus payment upon a Change in Control of the Company (as defined in Exhibit C) to the extent that you remained employed with the Company upon the closing of such Change in Control, on the terms and subject to the conditions in the November 2016 Letter (the "CIC Bonus"). Notwithstanding that your last day of employment (the "Separation Date") may be prior to any Change in Control of the Company, in the discretion of the Board of Directors, you may nevertheless be eligible for a CIC Bonus of up to $82,042.90, payable on the terms and subject to the conditions determined by the Board.

The Retention Amount will be paid to you within three (3) business days following your timely return of the Release Agreement, and the Health Assistance Payment will be paid to you within three (3) business days following your timely return of the Reaffirmation. However, if you resign your employment

with the Company without the Company's agreement for any reason prior to the date that is six (6) months following the date of this letter agreement, or should the Company terminate your employment for Cause at any time, you will not be eligible to receive the Health Assistance Payment or the CIC Bonus, you will be required to repay the full amount of the Retention Amount to the Company immediately, and by signing below and accepting the Retention Amount you agree to do so. For purposes of hereof, "Cause" means: (a) a good faith finding by the Company that you have (i) engaged in dishonesty, misconduct or gross negligence, or (ii) violated a material Company policy or procedure or (b) your conviction of, or plea of guilty or nolo contendere to, any crime involving dishonesty or moral turpitude or any felony.

Please note that your employment with the Company shall continue to be on an at-will basis, pursuant to which both the Company and you remain free to end the employment relationship for any reason, at any time, with or without Cause or notice. To be clear, however, if the Company terminates your employment for any reason other than for Cause or if you resign your employment with the Company's agreement after you receive the Retention Amount, you will remain eligible to receive the Health Assistance Payment and CIC Bonus (to the extent payable), and you will not be required to repay any portion of the Retention Amount to the Company.

Nothing in this letter agreement shall be construed as an agreement, either express or implied, to pay you any compensation or grant you any benefit beyond the end of your employment with the Company, except as explicitly set forth herein. You may, however, if eligible, elect to continue receiving group health insurance at your own expense pursuant to the law known as "COBRA." Please consult the COBRA materials to be provided under separate cover for details regarding this benefit. Please also note that if, following the end of your employment, the Company ceases to maintain a group health plan, your COBRA coverage will cease. You may, however, be able to obtain health coverage through the Massachusetts health exchange, to the extent you are eligible and as permitted by applicable law.

This letter agreement shall be interpreted and construed by the laws of the Commonwealth of Massachusetts, without regard to conflict of laws provisions. You hereby irrevocably submit to and acknowledge and recognize the jurisdiction of the courts of the Commonwealth of Massachusetts or if appropriate, a federal court located in the Commonwealth of Massachusetts (which courts, for purposes of this letter agreement, are the only courts of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this letter agreement or the subject matter hereof. This letter agreement is intended to comply with or be exempt from the provisions of Section 409A and the letter agreement will, to the extent practicable, be construed in accordance therewith. The Company makes no representations or warranty and will have no liability to you or any other person if any provisions of or payments under this letter agreement are determined to constitute deferred compensation subject to Code Section 409A but not to satisfy the conditions of that section.

Please note that this letter agreement supersedes in their entirety the provisions of the Employment Agreement providing for post-employment separation benefits, and that by signing this letter agreement and Exhibit A you will be waiving any rights or claims to receive any such benefits pursuant to, or otherwise arising out of or relating to, the Employment Agreement.

Please review carefully this letter agreement and Exhibits A, B and C and let me know if you have any questions. If you wish to be eligible to receive, in lieu of and in exchange for relinquishing the post-employment

separation benefits set forth in the Employment Agreement, the Retention Amount, Health Assistance Payment and CIC Bonus (to the extent payable) described herein pursuant to the terms and conditions hereof, please sign this letter agreement and Exhibit A and return them to me no later than March 23, 2017, and please sign and return Exhibit B on, but not before, the Separation Date.

Sincerely,

By: /s/ Alejandra Carvajal
Alejandra Carvajal
Vice President, General Counsel

Received, acknowledged and agreed:

/s/ Scott Eliasof
Scott Eliasof

March 19, 2017
Date

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EXHIBIT A

RELEASE OF CLAIMS AGREEMENT

In exchange for the consideration set forth in the letter agreement dated March 19, 2017 (the "Letter Agreement") to which this Release of Claims Agreement (the "Release Agreement") is attached as Exhibit A, including receipt of the Retention Amount (as defined therein) and eligibility to receive the Health Assistance Payment and CIC Bonus (to the extent payable) (each as defined therein), all of which I acknowledge I would not otherwise be entitled to receive, I hereby agree as follows:

1. **Release** – I hereby fully, forever, irrevocably and unconditionally release, remise and discharge the Company, its affiliates, subsidiaries, parent companies, predecessors, and successors, and all of their respective past and present officers, directors, stockholders, partners, members, managers, employees, agents, representatives, plan administrators, attorneys, insurers and fiduciaries (each in their individual and corporate capacities) (collectively, the "Released Parties") from any and all claims, charges, complaints, demands, actions, causes of action, suits, rights, debts, sums of money, costs, accounts, reckonings, covenants, contracts, agreements, promises, doings, omissions, damages, executions, obligations, liabilities, and expenses (including attorneys' fees and costs), of every kind and nature that I ever had or now have against any or all of the Released Parties, including, but not limited to, any and all claims arising out of or relating to my employment with and/or separation from the Company, including, but not limited to, the following and any and all claims for or related to aiding or abetting the following, whether direct or derivative, and whether brought myself or by or through the Company or any trustee, assignee, agent, or other representative thereof: all claims under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., the Americans With Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., the Genetic Information Nondiscrimination Act of 2008, 42 U.S.C. § 2000ff et seq., the Family and Medical Leave Act, 29 U.S.C. § 2601 et seq., the Worker Adjustment and Retraining Notification Act ("WARN"), 29 U.S.C. § 2101 et seq., the Rehabilitation Act of 1973, 29 U.S.C. § 701 et seq., Executive Order 11246, Executive Order 11141, the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., and the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. § 1001 et seq., all as amended; all claims arising out of the Massachusetts Fair Employment Practices Act, Mass. Gen. Laws ch. 151B, § 1 et seq., the Massachusetts Wage Act, Mass. Gen. Laws ch. 149, § 148 et seq. (Massachusetts law regarding payment of wages and overtime), the Massachusetts Civil Rights Act, Mass. Gen. Laws ch. 12, §§ 11H and 11I, the Massachusetts Equal Rights Act, Mass. Gen. Laws. ch. 93, § 102 and Mass. Gen. Laws ch. 214, § 1C, the Massachusetts Labor and Industries Act, Mass. Gen. Laws ch. 149, § 1 et seq., Mass. Gen. Laws ch. 214, § 1B (Massachusetts right of privacy law), the Massachusetts Maternity Leave Act, Mass. Gen. Laws ch. 149, § 105D, and the Massachusetts Small Necessities Leave Act, Mass. Gen. Laws ch. 149, § 52D, all as amended; all common law claims including, but not limited to, actions in defamation, intentional infliction of emotional distress, breach of duty, misrepresentation, fraud, fraudulent transfer, wrongful discharge, and breach of contract (including, without limitation, any claims arising out of or related to the Employment Agreement (as defined in the Letter Agreement)); all claims to any ownership interest in the Company, contractual or otherwise; all state and federal whistleblower claims to the maximum extent permitted by law; and any claim or damage arising out of my employment with and/or separation from the Company (including a claim for retaliation) under any common law theory or any federal, state or local statute or ordinance not expressly referenced above; provided, however, that nothing in this Release Agreement (a) prevents me from filing a charge with, cooperating with, or

participating in any investigation or proceeding before, the Equal Employment Opportunity Commission or a state fair employment practices agency (except that I acknowledge that I may not recover any monetary benefits in connection with any such charge, investigation, or proceeding, and I further waive any rights or claims to any payment, benefit, attorneys' fees or other remedial relief in connection with any such charge, investigation or proceeding).

2. **Continuing Obligations** – I acknowledge and reaffirm my obligation to keep confidential and not to use or disclose any and all non-public information concerning the Company that I acquired during the course of my employment with the Company, including any non-public information concerning the Company's business affairs, business prospects, and financial condition, except as otherwise permitted by paragraph 7 below. Further, I acknowledge that I remain subject to any and all continuing confidentiality and other obligations that I have pursuant to any previous agreement with the Company, including, but not limited to, the Invention and Non-Disclosure Agreement which I executed in connection with my employment, and which remains in full force and effect.

3. **Non-Disparagement** – I understand and agree that, to the extent permitted by law and except as otherwise permitted by paragraph 7 below, I will not, in public or private, make any false, disparaging, derogatory or defamatory statements, online (including, without limitation, on any social media, networking, or employer review site) or otherwise, to any person or entity, including, but not limited to, any media outlet, industry group, financial institution or current or former employee, board member, consultant, client or customer of the Company, regarding the Company or any of the other Released Parties, or regarding the Company's business affairs, business prospects, or financial condition.

4. **Cooperation** – I agree that, to the extent permitted by law, I shall cooperate fully with the Company in the investigation, defense or prosecution of any claims or actions which already have been brought, are currently pending, or which may be brought in the future against the Company by a third party or by or on behalf of the Company against any third party, whether before a state or federal court, any state or federal government agency, or a mediator or arbitrator. My full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with the Company's counsel, at reasonable times and locations designated by the Company, to investigate or prepare the Company's claims or defenses, to prepare for trial or discovery or an administrative hearing, mediation, arbitration or other proceeding and to act as a witness when requested by the Company. I further agree that, to the extent permitted by law, I will notify the Company promptly in the event that I am served with a subpoena (other than a subpoena issued by a government agency), or in the event that I am asked to provide a third party (other than a government agency) with information concerning any actual or potential complaint or claim against the Company.

5. **Return of Company Property and Information** – I agree that on the Separation Date (as defined in the Letter Agreement), or earlier upon request by the Company, I will return to the Company all keys, files, records (and copies thereof), equipment (including, but not limited to, computer hardware, software and printers, flash drives and storage devices, wireless handheld devices, cellular phones, tablets, etc.), Company identification, and any other Company-owned property and information in my possession or control and that I will leave intact all electronic Company documents and information, including but not limited to those documents and that information that I developed or helped to develop during my employment, and I will not retain any copies. I further confirm that I will, on the Separation Date, or earlier upon request by the Company, cancel all accounts for my benefit, if any, in the Company's name, including but not limited to, credit cards, telephone charge cards, cellular phone accounts, and computer accounts.

6. **Confidentiality** – I understand and agree that, to the extent permitted by law and except as otherwise permitted by paragraph 7 below, the terms and contents of this Release Agreement and the Letter Agreement, and the contents of the negotiations and discussions resulting in this Release Agreement and the Letter Agreement, shall be maintained as confidential by me and my agents and representatives and shall not be disclosed except as otherwise agreed to in writing by the Company.

7. **Scope of Disclosure Restrictions** – I understand that nothing in this Release Agreement or elsewhere prohibits me from communicating with government agencies about possible violations of federal, state, or local laws or otherwise providing information to government agencies, filing a complaint with government agencies, or participating in government agency investigations or proceedings. I understand that I am not required to notify the Company of any such communications; provided, however, that nothing herein authorizes the disclosure of information I obtained through a communication that was subject to the attorney-client privilege. Further, notwithstanding my confidentiality and nondisclosure obligations, I understand that I am hereby being advised as follows pursuant to the Defend Trade Secrets Act: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

8. **Amendment and Waiver; Successors and Assigns** – This Release Agreement may not be modified in any manner, except by an instrument in writing of concurrent or subsequent date signed by duly authorized representatives of the Company. This Release Agreement is binding upon me and my agents, assigns, heirs, executors, successors and administrators, and any party acting on my behalf or by or through myself or my rights, and shall inure to the benefit of the Company's agents, assigns, successors and administrators. No delay or omission by the Company in exercising any right under this Release Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar to or waiver of any right on any other occasion.

9. **Validity** – Should any provision of this Release Agreement be declared or be determined by any court of competent jurisdiction to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Release Agreement.

10. **Nature of Agreement –** I understand and agree that this Release Agreement does not constitute an admission of liability or wrongdoing on the part of the Company.

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11. **Acknowledgments and Voluntary Assent –** I acknowledge that I have been given a reasonable amount of time to consider this Release Agreement. I affirm that no other promises or agreements of any kind have been made to or with me by any person or entity whatsoever to cause me to sign this Release Agreement, and that I fully understand the meaning and intent of this Release Agreement. I state and represent that I have had an opportunity to fully discuss and review the terms of this Release Agreement with an attorney. I further state and represent that I have carefully read this Release Agreement, understand the contents herein, freely and voluntarily assent to all of the terms and conditions hereof, and sign my name of my own free act.

12. **Applicable Law** – This Release Agreement shall be interpreted and construed by the laws of the Commonwealth of Massachusetts, without regard to conflict of laws provisions. I hereby irrevocably submit to and acknowledge and recognize the jurisdiction of the courts of the Commonwealth of Massachusetts, or if appropriate, a federal court located in the Commonwealth of Massachusetts (which courts, for purposes of this Release Agreement, are the only courts of competent jurisdiction), over any suit, action or other proceeding arising out of, under or in connection with this Release Agreement or the subject matter hereof.

13. **Entire Agreement** – This Release Agreement, together with the Letter Agreement, contains and constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter thereof and cancels any and all previous oral and written negotiations, agreements, and commitments in connection therewith.

14. **Tax Acknowledgement** – In connection with the Retention Amount, Health Assistance Payment and CIC Bonus (to the extent payable) described in the Letter Agreement, I understand that the Company shall withhold and remit to the tax authorities the amounts required under applicable law, and that I shall be responsible for all applicable taxes with respect to such payments and benefits under applicable law. I further acknowledge that I am not relying upon the advice or representation of the Company with respect to the tax treatment of any payments or benefits described in the Letter Agreement.

I hereby agree to the terms and conditions set forth above.

/s/ Scott Eliasof
Scott Eliasof

March 19, 2017
Date

To be returned in a timely manner as set forth in the Letter Agreement.

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EXHIBIT B

REAFFIRMATION OF RELEASE OF CLAIMS AGREEMENT

I hereby reaffirm as of the date below my agreement to all of the terms and conditions set in the forth in the Release of Claims Agreement attached as Exhibit A to the letter agreement dated March 19, 2017 (the "Letter Agreement") to which this Exhibit B is attached. I further agree that I have received payment for all wages due, all accrued but unused paid time off and any other amounts due and owing through the Separation Date (as defined in the Letter Agreement). I further confirm that I have complied with all of the provisions of paragraph 5 of Exhibit A.

_____ _____

Scott Eliasof Date

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EXHIBIT C

Definition of Change in Control

1. "Change in Control" means an event or occurrence set forth in any one or more of subsections (i) through (iii) below (including an event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection), provided that such event constitutes a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i):

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) more than 50% of either (x) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); or

(ii) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company in one or a series of transactions (a "Business Combination"), unless, immediately following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "Acquiring Corporation") in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively; or

(iii) approval by the stockholders of the Company of a complete or substantially complete liquidation or dissolution of the Company.

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AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement"), made this 25th day of October, 2016, is entered into by Cerulean Pharma Inc., a Delaware corporation with its principal place of business at 35 Gatehouse Drive, Waltham, MA 02145 (the "Company"), and Scott Eliasof (the "Employee").

The Company desires to continue to employ the Employee and the Employee desires to continue to be employed by the Company. In consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties hereto, the parties agree as follows:

2. Term of Employment. The Company hereby agrees to continue to employ the Employee and the Employee hereby accepts continued employment with the Company, upon the terms set forth in this Agreement. There shall be no definite term of employment, and the Employee's employment shall be at-will such that both the Company and the Employee remain free to end the employment relationship for any reason, at any time, with or without notice.

3. Title and Capacity. The Employee shall serve as Senior Vice President and Chief Scientific Officer of the Company and shall report to the Chief Executive Officer of the Company. The Employee shall be based at the Company's headquarters in Waltham, Massachusetts.

The Employee agrees to undertake the duties and responsibilities inherent in such position and such other duties and responsibilities as the Chief Executive Officer shall from time to time reasonably assign to him. The Employee agrees to devote his entire business time, attention and energies to the business and interests of the Company. The Employee agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein that may be adopted from time to time by the Company.

4. Compensation and Benefits.

4.1 Base Salary. The Company shall pay the Employee, in accordance with the Company's regular payroll practices, a base salary at the annualized rate of $320,000, subject to adjustment thereafter by the Board of Directors of the Company (the "Board") or the Chief Executive Officer.

4.2 Bonus. In addition to a base salary, the Employee will be eligible to receive a performance-based annual bonus for each fiscal year in which he is employed by the Company in the capacity of Senior Vice President and Chief Scientific Officer. This bonus shall be based upon reasonably attainable annual quantitative and qualitative performance objectives established by the Board or the Chief Executive Officer. The Employee's annual bonus level target shall be set at 40 percent (40%) of the Employee's base salary for the currently applicable fiscal year and shall be subject to adjustment thereafter by the Board or the Chief Executive Officer. The Board or the Chief Executive Officer will determine, in its sole discretion, based upon its review of the achievement of the performance objectives for a given fiscal year, whether (and in what amount) a bonus award is payable to the Employee.

To be eligible to receive a bonus award, the Employee must be an active employee on the date any such bonuses are distributed.

4.3 Employee Benefits. The Employee shall be entitled to participate in all benefit plans and programs that the Company establishes and makes available to its employees to the extent that the Employee is eligible under (and subject to the provisions of) the plan documents governing those programs. The Employee shall be entitled to twenty (20) days paid vacation per year plus personal days and paid holidays generally offered by the Company to its employees, each to be administered in accordance with Company policy.

4.4 Reimbursement of Expenses. The Company shall reimburse the Employee for all reasonable travel, entertainment and other expenses incurred or paid by the Employee in connection with, or related to, the performance of his duties, responsibilities or services under this Agreement in accordance with the Company's expense reimbursement policies as set forth in the Company's employee handbook, a copy of which has been provided to the Employee. The reimbursement of expenses hereunder shall be subject to the terms and conditions set forth in Section 18(e) of this Agreement.

4.5 Withholding. All salary, bonus and other compensation or benefits payable to the Employee shall be subject to applicable withholdings and taxes.

5. Payments Upon Resignation By The Employee Without Good Reason or Termination By The Company For Cause.

5.1 Payment upon Voluntary Resignation or Termination for Cause. If the Employee voluntarily resigns his employment other than for Good Reason (as defined in Section 4.2), or if the Company terminates the Employee for Cause (as defined in Section 4.3), the Company shall pay the Employee all accrued and unpaid base salary through the Employee's date of termination and any vacation that is accrued but unused as of such date. The Employee shall not be eligible for any severance or separation payments (including, but not limited to, those described in Section 7 of this Agreement) or any continuation of benefits (other than those provided for under the Federal Consolidated Omnibus Budget Reconciliation Act ("COBRA")), or any other compensation pursuant to this Agreement or otherwise. The Employee also shall have such rights, if any, with respect to outstanding equity awards as may be provided under the agreement applicable to each.

5.2 Definition of "Good Reason". For purposes of this Agreement, "Good Reason" means the occurrence, without the Employee's written consent, of any of the events or circumstances set forth in clauses (a) through (c) below, provided, however, that an event described in clauses (a) through (c) below shall not constitute Good Reason unless it is communicated in writing, within 90 days of the first occurrence of an event giving rise to the claim, by the Employee to the Board or its successor and unless it is not corrected by the Company or its successor within thirty (30) days of the Company's receipt of such written notice:

(a) the material diminution of the Employee's duties, authority or responsibilities;

(b) a material reduction in the Employee's base salary; or

(c) a change by the Company in the location at which the Employee performs his principal duties for the Company to a new location that is both (i) outside a radius of 50 miles from the Employee's principal residence and (ii) more than 30 miles from the location at which the Employee performed his principal duties for the Company.

If the Company fails to timely correct an event of Good Reason, the termination of Executive's employment shall become effective 60 days after such notice is received by the Company.

5.3 Definition of "Cause". For purposes of this Agreement, "Cause" is defined as: (i) a good faith finding by the Company (excluding the Employee, if applicable) of (a) the Employee's failure to (1) perform reasonably assigned lawful duties or (2) comply with a lawful instruction of the Company so long as, in the case of (2), the instruction is consistent with the scope and responsibilities of the Employee's position, or (b) the Employee's dishonesty, willful misconduct or gross negligence, or (c) the Employee's substantial and material failure or refusal to perform according to, or to comply with, the policies, procedures or practices established by the Company or the Board and, in the case of (a) or

(c), the Employee has had ten (10) days written notice to cure his failure to so perform or comply; or (ii) the Employee's indictment, or the entering of a guilty plea or plea of "no contest" with respect to a felony or any crime involving moral turpitude.

6. Termination Without Cause; Resignation for Good Reason. If the Employee's employment with the Company is terminated by the Company without Cause (as defined in Section 4.3), or by the Employee's voluntary resignation for Good Reason (as defined in Section 4.2), other than in connection with a Change in Control (as defined in Section 7.2(a)), then the Employee shall be paid all accrued and unpaid base salary and any accrued but unused vacation through the date of termination. In addition, subject to the Employee's execution and non-revocation of a binding severance and mutual release agreement in a form satisfactory to the Company (hereinafter, a "Severance Agreement") and subject to the terms and conditions of Section 18 of this Agreement, the Employee shall be eligible to receive the following separation benefits:

5.1 (a) an amount equal to the product of (i) one twelfth (1/12) of the Employee's then-current annualized base salary (provided, however, that if Employee's employment is terminated by the Employee's voluntary resignation for Good Reason as a result of the Company's material reduction of the Employee's base salary, then the Employee's then-current annualized base salary shall refer to his base salary as in effect immediately before such material reduction took effect) and (ii) six (6), less any amounts required to be withheld under applicable law, which amount shall be payable in six (6) substantially equal monthly installments, in accordance with the Company's payroll practices in effect from time to time beginning on the Payment Commencement Date (as defined below); and (b) the amount of any bonus for the prior year that was approved but not yet paid to the Employee at the time of the Employee's termination of employment, less any amounts required to be withheld under applicable law, which amount shall be paid in a manner and timing consistent with the payments to

other similarly situated employees and consistent with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, but in no event later than March 15 of the year following the year of performance; provided, in both cases, that the Severance Agreement has been executed and any applicable revocation period with respect thereto has expired within sixty (60) days following the Employee's date of termination (such 60th day, the "Payment Commencement Date"); provided, however, that if the 60th day following the Employee's date of termination occurs in the calendar year following the year of termination, then the Payment Commencement Date shall be no earlier than January 1 of the year following the year of termination; and

2. 5.2 upon the Employee's termination from employment pursuant to this Section 5, the Company shall make contributions to the cost of COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage on behalf of the Employee and any applicable dependents for a period of six (6) months after the Employee's termination if the Employee elects COBRA coverage, and only for so long as such coverage continues in force; provided, however, that if the Employee commences new employment and is eligible for a new group health plan, the Company's contributions toward COBRA coverage shall end when the new employment begins. The cost of COBRA shall be determined on the same basis as the Company's contribution to Company-provided health and dental insurance coverage in effect immediately before termination of the Employee's employment for an active employee with the same coverage elections. At the end of the six (6) month period, the Employee may continue such COBRA, if applicable, and shall be responsible for all premiums thereafter..

7. Termination by Reason of Death or Disability.

7.1 If the Employee's employment with the Company is terminated by reason of the Employee's death or Disability (as defined below), then the Employee (or his estate, if applicable) shall be paid, within thirty (30) days of the date of the Employee's death or determination of Disability, all accrued and unpaid base salary and any accrued but unused vacation through the date of termination.

7.2 For purposes of this Agreement, "Disability" shall mean the Employee's absence from the full-time performance of the Employee's duties with the Company for 180 consecutive calendar days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Employee or the Employee's legal representative.

8. Termination Following Change of Control.

8.1 Benefits to Employee Upon a Change of Control Termination. In the event of a Change of Control Termination (as defined in Section 7.2(c) below), the Employee shall be entitled to all accrued and unpaid base salary and any accrued but unused vacation through the date of termination. In addition, subject to the Employee's execution and non-revocation of a binding severance and mutual release agreement in a form satisfactory to the Company (hereinafter, a "Severance Agreement") and subject to the terms and conditions of Section 18 of this Agreement, the Employee shall be eligible to receive the following separation benefits:

(a) an amount equal to the product of (i) one twelfth (1/12) of the Employee's then-current annualized base salary (provided, however, that if Employee's employment is terminated by the Employee's voluntary resignation for Good Reason as a result of the Company's material reduction of the Employee's base salary, then the Employee's then-current annualized base salary shall refer to his base salary as in effect immediately before such material reduction took effect) and (ii) six (6), less any amounts required to be withheld under applicable law, which amount shall be payable, in full and in a lump-sum cash payment on the Payment Commencement Date (as defined below); provided, however, that if the Employee's date of termination occurs prior to the closing of the Change

of Control, then the amount payable hereunder shall instead be paid in six (6) substantially equal monthly installments, in accordance with the Company's payroll practices in effect from time to time beginning on the Payment Commencement Date;

(b) the amount of any bonus for the prior year that was approved but not yet paid to the Employee at the time of the Employee's termination of employment, less any amounts required to be withheld under applicable law, which amount shall be paid in a manner and timing consistent with the payments to other similarly situated employees and consistent with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") but in no event later than March 15 of the year following the year of performance; provided, with respect to the separation benefits described in both Sections 7.1(a) and (b), that the Severance Agreement has been executed and any applicable revocation period with respect thereto has expired within sixty (60) days following the Employee's date of termination (such 60th day, the "Payment Commencement Date"), provided, however, that if the 60th day following the Employee's date of termination occurs in the calendar year following the year of termination, then the Payment Commencement Date shall be no earlier than January 1 of the year following the year of termination;

(c) upon the Employee's termination from employment pursuant to this Section 7, the Company shall make contributions to the cost of COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage on behalf of the Employee and any applicable dependents for a period of six (6) months after the Employee's termination if the Employee elects COBRA coverage, and only for so long as such coverage continues in force; provided, however, that if the Employee commences new employment and is eligible for a new group health plan, the Company's contributions toward COBRA coverage shall end when the new employment begins. The cost of COBRA shall be determined on the same basis as the Company's contribution to Company-provided health and dental insurance coverage in

effect immediately before termination of the Employee's employment for an active employee with the same coverage elections. At the end of the six (6) month period, the Employee may continue such COBRA, if applicable, and shall be responsible for all premiums thereafter; and

(d) full and immediate vesting of any equity awards subject to time-based vesting that are outstanding at the time of the termination of the Employee's employment. Any of the Employee's outstanding awards at the time of the termination will remain exercisable following termination to the extent set forth in the applicable award agreements.

8.2 Key Definitions. As used herein, the following terms shall have the following respective meanings:

(a) "Change in Control" means an event or occurrence set forth in any one or more of subsections (i) through (iii) below (including an event or occurrence that constitutes a Change in Control under one of such subsections but is specifically exempted from another such subsection), provided that such event constitutes a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i):

(i) the acquisition by an individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person") of beneficial ownership of any capital stock of the Company if, after such acquisition, such Person beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act) more than 50% of either (x) the then-outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (y) the combined voting power of the then-outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); or

(ii) the consummation of a merger, consolidation, reorganization, recapitalization or share exchange involving the Company or a sale or other disposition of all or substantially all of the assets of the Company in one or a series of transactions (a "Business Combination"), unless, immediately following such Business Combination, all or substantially all of the individuals and entities who were the beneficial owners of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding securities entitled to vote generally in the election of directors, respectively, of the resulting or acquiring corporation in such Business Combination (which shall include, without limitation, a corporation which as a result of such transaction owns the Company or substantially all of the Company's assets either directly or through one or more subsidiaries) (such resulting or acquiring corporation is referred to herein as the "Acquiring Corporation") in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, respectively; or

(iii) approval by the stockholders of the Company of a complete or substantially complete liquidation or dissolution of the Company.

(b) "Change in Control Date" means the first date during the period of time the Employee is employed pursuant to this Agreement on which a Change in Control occurs. Anything in this Agreement to the contrary notwithstanding, if (a) a Change in Control occurs, (b) the Employee's employment with the Company is terminated prior to the date on which the Change in Control occurs, and (c) it is reasonably demonstrated by the Employee that such termination of employment (i) was at the request of a third party who has taken steps reasonably calculated to effect a Change in Control or

(ii) otherwise arose in connection with or in anticipation of a Change in Control, then for all purposes of this Agreement the "Change in Control Date" shall mean the date immediately prior to the date of such termination of employment.

(c) Change of Control Termination occurs where the Employee is terminated without Cause (as defined in Section 4.3) or resigns for Good Reason (as defined in Section 4.2), in either case within twelve (12) months following the Change in Control Date.

9. Mitigation. The Employee shall not be required to mitigate the amount of any payment or benefits provided for in Section 7 by seeking other employment or otherwise except with regard to medical and dental coverage if new employment is obtained.

10. Survival. The provisions of Section 7 shall survive the termination of this Agreement for any reason.

11. Invention and Non-Disclosure Agreement. The Employee and the Company acknowledge (a) that they have entered into an Invention and Non-Disclosure and (b) the continuing effectiveness of such Invention and Non-Disclosure Agreement.

12. Notices. Any notices delivered under this Agreement shall be deemed duly delivered three (3) business days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one (1) business day after it is sent for next-business day delivery signature required via a reputable nationwide overnight courier service, to the Company's address set forth in the introductory paragraph hereto or to the home address of the Employee then on file with the Company, as applicable. Either party may change the address to which notices are to be delivered by giving notice of such change to the other party in the manner set forth in this Section 11.

13. Pronouns. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns and pronouns shall include the plural, and vice versa.

14. Entire Agreement. This Agreement and all exhibits hereto constitute the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral, relating to the subject matter of this Agreement.

15. Amendment. This Agreement may be amended or modified only by a written instrument executed by both the Company and the Employee.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without reference to the conflict of laws provisions thereof). Any action, suit or other legal proceeding arising under or relating to any provision of this Agreement shall be commenced only in a court of the Commonwealth of Massachusetts (or, if appropriate, a federal court located within the Commonwealth of Massachusetts), and the Company and the Employee each consents to the jurisdiction of such a court. The Company and the Employee each hereby irrevocably waive any right to a trial by jury in any action, suit or other legal proceeding arising under or relating to any provision of this Agreement.

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of both parties and their respective successors and assigns, including any corporation with which or into which the Company may be merged or which may succeed to its assets or business; provided, however, that the obligations of the Employee are personal and shall not be assigned by him.

18. Acknowledgment. The Employee states and represents that he has had an opportunity to fully discuss and review the terms of this Agreement with an attorney. The Employee further states and represents that he has carefully read this Agreement, understands the contents herein, freely and voluntarily assents to all of the terms and conditions hereof, and signs his name of his own free act.

19. Payments Subject to Section 409A. Subject to the provisions in this Section 18, any severance payments or benefits under this Agreement shall begin only upon the date of the Employee's "separation from service" (determined as set forth below) which occurs on or after the date of termination of the Employee's employment. The following rules shall apply with respect to distribution of the payments and benefits, if any, to be provided to the Employee under this Agreement:

(a) It is intended that each installment of the severance payments and benefits provided under this Agreement shall be treated as a separate "payment" for purposes of Section 409A of the Code and the guidance issued thereunder ("Section 409A"). Neither the Company nor the Employee shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of the Employee's "separation from service" from the Company, the Employee is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments and benefits shall be made on the dates and terms set forth in this Agreement.

(c) If, as of the date of the Employee's "separation from service" from the Company, the Employee is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under this Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation § 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be paid in the manner (and at the times) set forth in this agreement; and

(ii) Each installment of the severance payments and benefits due under this Agreement that is not described in paragraph c(i) above and that would, absent this subsection, be paid within the six-month period following the Employee's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Employee's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Employee's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of severance payments and benefits if and to the maximum extent that that such installment is deemed to be paid under a separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation § 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation § 1.409A-1(b)(9)(iii) must be paid no later than the last day of the Employee's second taxable year following the taxable year in which the separation from service occurs.

(d) The determination of whether and when the Employee's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation § 1.409A-1(h).

(e) All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the

requirements that (i) any reimbursement is for expenses incurred during the Employee's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

(f) Notwithstanding anything herein to the contrary, the Company shall have no liability to the Employee or to any other person if the payments and benefits provided hereunder that are intended to be exempt from or compliant with Section 409A are not so exempt or compliant.

20. Miscellaneous.

20.1 No delay or omission by the Company in exercising any right under this Agreement shall operate as a waiver of that or any other right. A waiver or consent given by the Company on any one occasion shall be effective only in that instance and shall not be construed as a bar to or waiver of any right on any other occasion.

20.2 The captions of the sections of this Agreement are for convenience of reference only and in no way define, limit or affect the scope or substance of any section of this Agreement.

20.3 In case any provision of this Agreement shall be invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year set forth above.

CERULEAN PHARMA INC.

By: /s/ Christopher D. T Guiffre
Title: President & CEO

EMPLOYEE

/s/ Scott Eliasof
Scott Eliasof, Ph.D.

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-211697 on Form S-8 and No. 333-206396 on Form S-3 of our report dated March 31, 2017, relating to the consolidated financial statements of Cerulean Pharma Inc. and subsidiary (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the substantial doubt about the Company's ability to continue as a going concern) appearing in this Amendment No. 2 to the Annual Report on Form 10-K of Cerulean Pharma Inc. for the year ended December 31, 2016.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
June 13, 2017

Exhibit 31.1

CERTIFICATIONS

I, Christopher D.T. Guiffre, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cerulean Pharma Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 13, 2017

By: /s/ Christopher D.T. Guiffre

Christopher D.T. Guiffre
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Gregg D. Beloff, certify that:

1. I have reviewed this Annual Report on Form 10-K of Cerulean Pharma Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 13, 2017

By: /s/ Gregg D. Beloff
Gregg D. Beloff
Interim Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.3

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K/A of Cerulean Pharma Inc. (the "Company") for the year ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Christopher D.T. Guiffre, Chief Operating Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge on the date hereof:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 13, 2017

/s/ Christopher D. T. Guiffre
Christopher D.T. Guiffre
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.4

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K/A of Cerulean Pharma Inc. (the "Company") for the year ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Gregg D. Beloff, Interim Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge on the date hereof:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 13, 2017

/s/ Gregg D. Beloff
Gregg D. Beloff
Interim Chief Financial Officer
(Principal Financial Officer)