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ENZON PHARMACEUTICALS, INC.

FORM 10-Q
(Quarterly Report)

Filed 11/10/16 for the Period Ending 09/30/16

Address	20 COMMERCE DRIVE, SUITE 135 CRANFORD, NJ 07016
Telephone	732-980-4500
CIK	0000727510
Symbol	ENZN
SIC Code	2836 - Biological Products, Except Diagnostic Substances
Industry	Biotechnology & Medical Research
Sector	Healthcare
Fiscal Year	12/31

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2016

OR

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

For the transition period from ___ to ___

Commission file number 0-12957

Enzon Pharmaceuticals, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**22-2372868**
(State of incorporation)	(I.R.S. Employer Identification No.)
20 Commerce Drive (Suite 135), Cranford New Jersey	**07016**
(Address of principal executive offices)	(Zip Code)

(732) 980-4500
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

Shares of Common Stock outstanding as of October 31, 2016: 44,214,603

PART I – FINANCIAL INFORMATION
Item 1. Financial Statements.

ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	September 30, 2016 (Unaudited)	December 31, 2015*
ASSETS		
Current assets:		
Cash	$ 12,896	$ 11,672
Other current assets	234	107
Total current assets	13,130	11,779
Deferred tax assets, net	8,610	11,111
Total assets	$ 21,740	$ 22,890
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ -	$ 90
Accrued expenses and other current liabilities	163	205
Accrued lease termination costs	-	4,506
Total current liabilities	163	4,801
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - $0.01 par value, authorized 3,000,000 shares; no shares issued and outstanding at September 30, 2016 and December 31, 2015	-	-
Common stock - $0.01 par value, authorized 170,000,000 shares; issued and outstanding 44,214,603 shares at September 30, 2016 and December 31, 2015, respectively	441	441
Additional paid-in capital	96,914	96,914
Accumulated deficit	(75,778)	(79,266)
Total stockholders' equity	21,577	18,089
Total liabilities and stockholders' equity	$ 21,740	$ 22,890

* Derived from the audited December 31, 2015 consolidated balance sheet

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2016	**2015**	**2016**	**2015**
Revenues:				
Royalties	$ 1,965	$ 3,766	$ 7,461	$ 14,068
Miscellaneous income	21	73	63	224
Total revenues	1,986	3,839	7,524	14,292
Operating expenses:				
General and administrative	376	213	1,533	1,312
Lease termination costs	-	4,552	-	4,552
Total operating expenses	376	4,765	1,533	5,864
Operating income (loss) and income (loss) before income tax expense (benefit)	1,610	(926)	5,991	8,428
Income tax expense (benefit)	674	888	2,503	(712)
Net income (loss)	$ 936	$ (1,814)	$ 3,488	$ 9,140
Earnings (loss) per common share				
Basic	$ 0.02	$ (0.04)	$ 0.08	$ 0.21
Diluted	$ 0.02	$ (0.04)	$ 0.08	$ 0.21
Weighted-average shares – basic	44,214	44,182	44,214	44,182
Weighted-average shares – diluted	44,214	44,182	44,214	44,214

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine months ended September 30,	
	2016	**2015**
Cash flows from operating activities:		
Net income	$ 3,488	$ 9,140
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred tax benefit	2,501	(848)
Changes in operating assets and liabilities	(4,765)	3,915
Net cash provided by operating activities	1,224	12,207
Cash flows from financing activities:		
Withholding taxes – stock based compensation	-	(6)
Common stock dividend	-	(26,508)
Net cash used in financing activities	-	(26,514)
Net increase (decrease) in cash	1,224	(14,307)
Cash at beginning of period	11,672	34,562
Cash at end of period	$ 12,896	$ 20,255

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

(1) Description of Business

Enzon Pharmaceuticals, Inc. (together with its subsidiary, "Enzon" or the "Company") receives royalty revenues from existing licensing arrangements with other companies primarily related to sales of four marketed drug products, namely, PegIntron ®, Sylatron ®, Macugen ® and CIMZIA ®. In addition, the Company's rights to receive royalties on sales of Macugen and CIMZIA expired in the U.S. and Great Britain in 2014. The primary source of the Company's royalty revenues is sales of PegIntron, which is marketed by Merck & Co., Inc. ("Merck"). The Company currently has no clinical operations and limited corporate operations. Royalty revenues from sales of PegIntron accounted for approximately 61% and 83% of the Company's total royalty revenues for the three months ended September 30, 2016 and 2015, respectively, approximately 70% and 80% of the Company's total royalty revenues in the nine-month periods ended September 30, 2016 and 2015, respectively, and approximately 80% and 79% of the Company's total royalty revenues for each of the years ended December 31, 2015 and 2014, respectively.

The Company was previously dedicated to the research and development of innovative therapeutics for patients with high unmet medical needs. Beginning in December 2012, the Company's Board of Directors (the "Board"), with outside consultants, began a review of the possible sale or disposition of one or more corporate assets or a sale of the Company. At that time, the Company suspended substantially all clinical development activities with a goal of conserving capital and maximizing value returned to the Company's stockholders. By April 2013, the review did not result in a definitive offer to acquire the Company or all or substantially all of the Company's assets. At the same time, the Company announced that its Board intended to distribute excess cash, expected to arise from ongoing royalty revenues, in the form of periodic dividends to stockholders. The Company ended its remaining research and development activities during 2013 and the Company has no intention of resuming any clinical development activities or acquiring new sources of royalty revenues.

Effective June 25, 2015, the Company and Sigma-Tau Pharmaceuticals, Inc., Defiante Farmaceutica, S.A. and Sigma-Tau Finanzaria, S.P.A. (collectively "Sigma-Tau") agreed to settle, for $526,128, a claim by the Company that Sigma Tau inappropriately withheld $826,128 (the "Claim") in rebate payments earned in the fourth quarter of 2014 and paid in the first quarter of 2015 that would otherwise have been due the Company as royalty payments. Sigma-Tau retained an amount equal to $826,128 that would, but for the Claim, be due and owing to the Company under the Agreement in the second quarter of 2015, but under the terms of the settlement agreed to pay to the Company $300,000 (the "Settlement Amount"). The Company agreed that upon receipt of such amount, it would not have a claim for $826,128 in royalties earned for the fourth quarter of 2014, provided that the Company maintains its right, upon written request to Sigma-Tau and through an independent accounting firm, to inspect the relevant records of Sigma-Tau at any time within the three-year period following the close of each calendar year for the purpose of verifying the accuracy of all payments or charges used to calculate royalties payable under the Company's agreement with Sigma-Tau for such calendar year and to make a claim as a result of such inspection. The Company recorded the $300,000 as royalty revenue during the second quarter of 2015 and received such Settlement Amount on July 13, 2015.

In June 2015, the Company delivered notice to Nektar Therapeutics, Inc. ("Nektar") asserting a breach of its Cross-License and Option Agreement with Nektar for Nektar's failure to pay an immunity fee that the Company believes became payable to it under such agreement with respect to certain of the Company's patents that would be infringed by Nektar's products (or those of Nektar's licensees). To date, Nektar has disputed the Company's claim to an immunity fee. On August 14, 2015, the Company filed a summons and complaint against Nektar in the Supreme Court of New York for breach of contract (the "Complaint"). On October 23, 2015, Nektar filed a motion to dismiss the Complaint. On February 2, 2016, the Supreme Court of the State of New York granted Nektar its motion to dismiss the Complaint. The Company appealed this dismissal. In an Order dated October 25, 2016, the Supreme Court of the State of New York, Appellate Division reversed the decision of the trial court and denied Nektar's motion to dismiss the Complaint. The case was remanded to the trial court for further proceedings. While the Company continues to believe that an immunity fee is currently due and payable by Nektar and intends to continue to pursue this claim, the outcome of such dispute is uncertain and there can be no assurance that the Company will be able to collect, in full or in part, the immunity fee or any future payments related thereto from Nektar. As such, no amounts have been recorded as of September 30, 2016.

On February 4, 2016, the Company entered into (i) an agreement with the landlord (the "Landlord") of our leased property at 20 Kingsbridge Road, Piscataway, New Jersey (the "Leased Property") and the Company's subtenant and (ii) a letter agreement with the Landlord (the "Letter Agreement"). Pursuant to a Surrender and Release Agreement, (i) our lease agreement (the "Prime Lease") with the Landlord terminated effective as of February 4, 2016 (the "Termination Date") and (ii) our sublease agreement with the subtenant became a direct lease between the Landlord and the subtenant effective as of the Termination Date. Pursuant to the Letter Agreement, from and after the Termination Date, the Landlord agreed to perform all of the Company's obligations under the sublease, the Landlord waived all claims against the Company in connection with the lease, the sublease or the Leased Property and the Landlord has released the Company from all liability in connection with the lease and the sublease and, in exchange therefor, on the Termination Date, the Company paid $4.25 million to the Landlord's mortgage lender and approximately $204,000 to the Landlord (together, the "Release Payments"). The Release Payments were recorded in 2015.

Commencing on March 1, 2016, the Company changed the location of its principal executive offices to 20 Commerce Drive, Suite 135, Cranford, New Jersey, 07016. The Company entered into an office service agreement with Regus Management Group, LLC ("Regus") for use of office space at this location effective March 1, 2016. The term of the agreement will continue until February 28, 2017. Under the agreement, in exchange for the Company's right to use the office space at this location, the Company was required to pay Regus an initial service retainer of $2,418 and, thereafter, pay Regus a monthly fee of $1,209.

On February 4, 2016, the Board adopted a Plan of Liquidation and Dissolution (the "Plan of Liquidation and Dissolution"), pursuant to which the Company would, subject to obtaining requisite stockholder approval, be liquidated and dissolved in accordance with Sections 280 and 281(a) of the General Corporation Law of the State of Delaware. As announced in the Company's Current Report on Form 8-K filed on March 21, 2016, the Board has postponed seeking stockholder approval of the Plan of Liquidation and Dissolution until a later time to be determined by the Board.

The Company's common stock was delisted from Nasdaq on May 20, 2016 because the Company no longer met the requirement to maintain a minimum bid price of $1.00 per share, as set forth in Nasdaq listing rules. Effective August 9, 2016, the Company's common stock has been quoted for trading on the OTCQX.

(2) Basis of Presentation

Interim Financial Statements

The accompanying condensed balance sheet as of December 31, 2015, which has been derived from the audited financial statements, and the interim unaudited condensed consolidated financial statements have been prepared from the books and records of the Company in accordance with United States generally accepted accounting principles (U.S. GAAP) for interim financial information and Rule 10-01 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission. Accordingly, these financial statements do not include all of the information and footnotes required for complete annual financial statements. Interim results are not necessarily indicative of the results that may be expected for the full year. Interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ from these estimates.

(3) New Accounting Pronouncements

In August 2016, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* . This update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. The Company is currently evaluating the effect that the updated standard will have on its consolidated financial statements.

In May 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* . This update clarifies the objectives of collectability, sales and other taxes, noncash consideration, contract modifications at transition, completed contracts at transition and technical correction. The amendments in this update affect the guidance in Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* , which is not yet effective but will become effective for annual and interim periods beginning after December 15, 2017. The Company believes that ASU No. 2016-01 will not have a material effect on its consolidated financial statements and related disclosures.

In January 2016, FASB issued Accounting Standards Update 2016-01 (ASU No. 2016-01) " *Recognition and Measurement of Financial Assets and Financial Liabilities."* The FASB issued this update to make limited amendments to the guidance in U. S. GAAP on the classification and measurement of financial instruments. This update significantly revises an entity's accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. It also amends certain disclosure requirements associated with the fair value of financial instruments. The update will take effect for public companies for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company believes that ASU No. 2016-01 will not have a material effect on its consolidated financial statements and related disclosures.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, Income Taxes (Topic 740): *Balance Sheet Classification of Deferred Taxes* , which requires that deferred tax assets and liabilities be classified as non-current in a classified balance sheet. This update is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2016. The standard permits the use of either the retrospective or prospective transition method. The Company believes that ASU No. 2016-01 will not have a material effect on its consolidated financial statements and related disclosures.

(4) Financial Instruments and Fair Value

The carrying values of cash, other current assets, accounts payable, accrued expenses and other current liabilities in the Company's condensed consolidated balance sheets approximated their fair values at September 30, 2016 and December 31, 2015 due to their short-term nature.

(5) Supplemental Cash Flow Information

During the nine months ended September 30, 2016, there was an estimated federal income tax payment of $135,000 made and $1,500 of estimated New Jersey income tax payments made. The $135,000 represented an over estimate of taxes due and in the third quarter of 2016, such amount was recorded as a receivable, included in other current assets.

During the nine months ended September 30, 2015, the Company made federal income tax payments of $137,000.

There were no interest payments made during the nine months ended September 30, 2016 and 2015.

(6) Income (Loss) Per Common Share

Basic earnings per common share is computed by dividing the income available to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Restricted stock units (nonvested shares) are not considered to be outstanding shares until the vesting criteria (service and/or performance) have been satisfied.

For purposes of calculating diluted earnings per common share, the denominator includes both the weighted-average number of shares of common stock outstanding and the number of common stock equivalents if the inclusion of such common stock equivalents is dilutive. Dilutive common stock equivalents potentially include stock options and nonvested shares using the treasury stock method and shares issuable under the employee stock purchase plan (ESPP). Earnings per common share information is as follows (in thousands, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Income (Loss) Per Common Share – Basic:				
Net income (loss)	$ 936	$ (1,814)	$ 3,488	$ 9,140
Weighted-average common shares outstanding	44,214	44,182	44,214	44,182
Basic income (loss) per share	$ 0.02	$ (0.04)	$ 0.08	$ 0.21
Income (Loss) Per Common Share – Diluted:				
Net income (loss)	$ 936	$ (1,814)	$ 3,488	$ 9,140
Weighted-average common shares outstanding	44,214	44,182	44,214	44,182
Weighted-average incremental shares related to assumed exercise of stock options, vesting of nonvested shares, and ESPP	-	-	-	32
Weighted-average common shares outstanding and common share equivalents	44,214	44,182	44,214	44,214
Diluted income (loss) per share	$ 0.02	$ (0.04)	$ 0.08	$ 0.21

As of September 30, 2016, there are no shares issuable, which could potentially dilute basic EPS in the future for vesting of nonvested shares.

(7) Stock-Based Compensation

Stock Options and Restricted Stock Units (RSUs or Nonvested Shares)

During the nine months ended September 30, 2016 and 2015, the Company incurred no stock-based compensation expense. No RSUs were outstanding as of September 30, 2016.

Shares were withheld to pay approximately $6,000 of taxes on behalf of employees because RSUs vested during the nine months ended September 30, 2015, which had a minimal effect on additional paid-in capital.

There were no options granted during the nine months ended September 30, 2016 and 2015 and no nonvested shares granted during the nine months ended September 30, 2016 and 2015. The Company uses historical data to estimate forfeiture rates.

Activity related to stock options and nonvested shares during the nine months ended September 30, 2016 and related balances outstanding as of that date are reflected below (in thousands):

	Stock Options
Outstanding at January 1, 2016	348
Granted	-
Exercised and vested	-
Expired and forfeited	(348)
Outstanding at September 30, 2016	-
Options vested and expected to vest at September 30, 2016	-
Options exercisable at September 30, 2016	-

(8) Income Taxes

During the nine months ended September 30, 2016, the Company recorded $2,503,000 of income tax expense for U.S. federal income tax, substantially all of which related to a reduction of the Company's net deferred tax assets. Of this amount, approximately, $674,000 was recorded in the third quarter of 2016.

The Company continues to provide a partial valuation allowance against its net deferred tax assets since the Company believes it is more likely than not that certain of its remaining deferred tax assets will not be realized. Management of the Company will continue to assess the need for this valuation allowance and will make adjustments to it when appropriate.

During the three months ended September 30, 2015, the Company recorded a tax provision of $888,000 for U.S. federal income tax provision for the third quarter of 2015.

During the nine months ended September 30, 2015, the Company recorded $712,000 of net income tax benefit for U.S. federal income tax provision. This was substantially attributable to a reduction of a valuation allowance against the Company's net deferred tax assets of approximately $2.5 million in the first quarter of 2015, as partially offset by the tax provision of $1.78 million recorded in the second and third quarters of 2015.

(9) Commitments and Contingent Liabilities

The Company has been involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Company's consolidated financial position, results of operations, or liquidity.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to "Enzon," the "Company," "we," "us," or "our" and similar terms mean Enzon Pharmaceuticals, Inc. and its subsidiaries.

Overview

We receive royalty revenues from existing licensing arrangements with other companies primarily related to sales of four marketed drug products, namely, PegIntron ® , Sylatron ® , Macugen ® and CIMZIA ® . We also had previously received royalty revenues from licensing arrangements related to sales of Oncaspar and Adagen until our rights to receive royalties on sales of these products expired in 2014. In addition, our rights to receive royalties on sales of Macugen and CIMZIA expired in the U.S. and Great Britain in 2014. The primary source of our royalty revenues is sales of PegIntron, which is marketed by Merck & Co., Inc. ("Merck"). We currently have no clinical operations and limited corporate operations. Royalty revenues from sales of PegIntron accounted for approximately 61% and 83% of our total royalty revenues for the three months ended September 30, 2016 and 2015, respectively, and approximately 70% and 80% of our total royalty revenues for the nine-month periods ended September 30, 2016 and 2015, respectively, and approximately 80% and 79% of our total royalty revenues in each of the years ended December 31, 2015 and 2014.

We were previously dedicated to the research and development of innovative therapeutics for patients with high unmet medical needs. In December 2012, we announced that our Board of Directors retained Lazard to act as financial advisor in a review of the possible sale or disposition of one or more corporate assets or a sale of our company and that our Board of Directors established a special committee to oversee our sale review process. In connection with our sale review process, we substantially suspended all clinical development activities with a goal of conserving capital and maximizing value returned to our stockholders. In April 2013, we announced that we had concluded a review of the sale or disposition of one or more corporate assets or a sale of our company. The review did not result in a definitive offer to acquire our company or all or substantially all of our assets. In the same announcement, we also announced that our Board of Directors intends to distribute excess cash, expected to arise from ongoing royalty revenues, in the form of periodic dividends to stockholders. We wound down our remaining research and development activities during 2013. We have no intention of resuming any clinical development activities or acquiring new sources of royalty revenues.

Effective June 25, 2015, we and Sigma-Tau Pharmaceuticals, Inc., Defiante Farmaceutica, S.A. and Sigma-Tau Finanzaria, S.P.A. (collectively "Sigma-Tau") agreed to settle, for $526,128, a claim we made that Sigma Tau inappropriately withheld $826,128 (the "Claim") in rebate payments earned in the fourth quarter of 2014 and paid in the first quarter of 2015 that would otherwise have been due us as royalty payments. Sigma-Tau retained an amount equal to $826,128 that would, but for the Claim, be due and owing to us under the Agreement in the second quarter of 2015, but under the terms of the settlement agreed to pay to us $300,000 (the "Settlement Amount"). We agreed that upon receipt of such amount, we would not have a claim for $826,128 in royalties earned for the fourth quarter of 2014, provided that we maintain our right, upon written request to Sigma-Tau and through an independent accounting firm, to inspect the relevant records of Sigma-Tau at any time within the three-year period following the close of each calendar year for the purpose of verifying the accuracy of all payments or charges used to calculate royalties payable under our agreement with Sigma-Tau for such calendar year and to make a claim as a result of such inspection. We recorded the $300,000 as royalty revenue during the second quarter of 2015 and received such Settlement Amount on July 13, 2015.

In June 2015, we delivered notice to Nektar Therapeutics, Inc. ("Nektar") asserting a breach of our Cross-License and Option Agreement with Nektar for Nektar's failure to pay an immunity fee that we believe became payable to us under such agreement with respect to certain of our patents that would be infringed by Nektar's products (or those of Nektar's licensees). To date, Nektar has disputed our claim to an immunity fee. On August 14, 2015, we filed a summons and complaint against Nektar in the Supreme Court of New York for breach of contract. On October 23, 2015, Nektar filed a motion to dismiss the complaint. On February 2, 2016, the Supreme Court of the State of New York granted Nektar its motion to dismiss the complaint. We appealed this dismissal. In an Order dated October 25, 2016, the Supreme Court of the State of New York, Appellate Division reversed the decision of the trial court and denied Nektar's motion to dismiss the Complaint. The case was remanded to the trial court for further proceedings. While we believe that an immunity fee is currently due and payable by Nektar and we intend to continue to pursue this claim, the outcome of such dispute is uncertain and there can be no assurance that we will be able to collect, in full or in part, the immunity fee or any future payments related thereto from Nektar. As such, no amounts have been recorded as of September 30, 2016.

In September 2013, we entered into a sublease agreement (the "Sublease") with an unrelated third party, (the "Subtenant") pursuant to which we sublet a portion of our leased premises and parking areas located at 20 Kingsbridge Road, Piscataway, New Jersey (the "Leased Property"). The sublease commenced on November 14, 2013 and was to expire on July 30, 2021. The monthly fixed rent payable to us by the Subtenant was $10,417 in year one and escalated to $35,000 in each of years five through eight. The sublease also provided for the Subtenant to pay additional rent to cover its applicable share of various property-related expenses.

On February 4, 2016, we entered into (i) an agreement (the "Surrender and Release Agreement") with the landlord of the Leased Property (the "Landlord") and the Subtenant and (ii) a letter agreement with the Landlord (the "Letter Agreement"). Pursuant to the Surrender and Release Agreement, (i) our lease agreement (the "Prime Lease") with the Landlord terminated effective as of February 4, 2016 (the "Termination Date") and (ii) our sublease agreement with the Subtenant became a direct lease between the Landlord and the Subtenant effective as of the Termination Date. Pursuant to the Letter Agreement, from and after the Termination Date, the Landlord agreed to perform all of our obligations under the sublease, the Landlord waived all claims against us in connection with the Prime Lease, the sublease or the Leased Property and the Landlord has released us from all liability in connection with the Prime Lease and the Sublease and, in exchange therefor, on the Termination Date, we paid $4.25 million to the Landlord's mortgage lender and approximately $204,000 to the Landlord (together, the "Release Payments"). The Release Payments were recorded in 2015.

Commencing on March 1, 2016, we changed the location of our principal executive offices to 20 Commerce Drive, Suite 135, Cranford, New Jersey, 07016. We entered into an office service agreement with Regus Management Group, LLC ("Regus") for use of office space at this location effective March 1, 2016. The term of the agreement will continue until February 28, 2017. Under the agreement, in exchange for our right to use the office space at this location, we were required to pay Regus an initial service retainer of $2,418 and, thereafter, pay Regus a monthly fee of $1,209.

On February 4, 2016, our Board of Directors adopted a Plan of Liquidation and Dissolution (the "Plan of Liquidation and Dissolution"), pursuant to which the Company would, subject to obtaining requisite stockholder approval, be liquidated and dissolved in accordance with Sections 280 and 281(a) of the General Corporation Law of the State of Delaware. As announced in our Current Report on Form 8-K filed on March 21, 2016, our Board of Directors has postponed seeking stockholder approval of the Plan of Liquidation and Dissolution until a later time to be determined by our Board of Directors.

Our common stock was delisted from Nasdaq on May 20, 2016 because we no longer met the requirement to maintain a minimum bid price of $1.00 per share, as set forth in Nasdaq listing rules. Effective August 9, 2016, our common stock has been quoted for trading on the OTCQX.

Throughout this Management's Discussion and Analysis, the primary focus is on our results of operations, cash flows and financial condition. The percentage changes throughout the following discussion are based on amounts stated in thousands of dollars and not the rounded millions of dollars reflected in this section.

Results of Operations

Revenues:

Royalties (in millions of dollars):

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	% Change	2015	2016	% Change	2015
Royalty revenue	$ 2.0	(48)	$ 3.8	$ 7.5	(47)	$ 14.1

Most of our royalty revenues are derived from sales of PegIntron. Royalty revenues from sales of PegIntron by Merck accounted for approximately 61% and 83% of our total royalty revenues for the three months ended September 30, 2016 and 2015, respectively, and approximately 70% and 80% of our total royalty revenues for the nine months ended September 30, 2016 and 2015, respectively. Royalty revenues from Merck have been declining sharply, primarily because of biosimilar competition, as have our royalties, generally, from other licensees, due to the continued expiration of patents in various countries and availability of alternative medications. This trend is expected to continue.

The following table summarizes our PegIntron royalties earned (in millions of dollars):

	Three Months Ended September 30,		Dollar	Percent	Nine Months Ended September 30,		Dollar	Percent
PegIntron royalties from:	2016	2015	Change	Change	2016	2015	Change	Change
US sales*	$ 0.30	$ 0.24	$ 0.06	25%	$ 0.88	$ 0.74	$ 0.14	19%
Foreign sales - Europe	0.12	0.72	(0.60)	(83)%	1.03	2.61	(1.58)	(61)%
Foreign sales - Japan	0.01	0.38	(0.37)	(97)%	0.04	1.62	(1.58)	(98)%
Foreign sales - Other	0.78	1.83	(1.05)	(57)%	3.25	6.30	(3.05)	(48)%
Total	$ 1.21	$ 3.17	$ (1.96)	(62)%	$ 5.20	$ 11.27	$ (6.07)	(54)%

* Our right to receive royalties on U.S. sales of PegIntron expires in 2016.

Miscellaneous Income

Miscellaneous income was approximately $63,000 and $21,000 for the nine months and three months ended September 30, 2016, respectively, and related, primarily, to sublease income.

Miscellaneous income was approximately $224,000 and $73,000 for the nine months and three months ended September 30, 2015, respectively, and related, primarily, to sublease income.

Operating Expenses:

General and Administrative (in millions of dollars):

	Three Months Ended September 30,			Nine months Ended September 30,		
	2016	% Change	2015	2016	% Change	2015
General and administrative	$ 0.4	100	$ 0.2	$ 1.5	15	$ 1.3

General and administrative expenses increased by $.2 million, or 100%, to $0.4 million for the third quarter of 2016 from $0.2 million for the third quarter of 2015. This increase is primarily attributable to the reduction of general and administrative expense in the third quarter of 2015 due to the write-off of accrued rent in connection with our lease termination during that period.

General and administrative expenses in the nine months ended September 30, 2016 increased by $200,000, or 15%, to $1.5 million from $1.3 million for the first nine months of 2015. The increase was due to professional fees, primarily, legal fees, incurred in developing and evaluating our proposed plan of Liquidation and Dissolution, litigation in connection with Nektar and fees in connection with transferring from Nasdaq to the OTC market, that more than offset the decrease in our rent and building related costs.

Income Tax (Expense) Benefit

We incurred a tax expense of approximately $2.5 million in the first nine months of 2016, of which approximately $0.7 million was incurred during the third quarter of 2016. Substantially all of the income tax expense is related to a reduction of the Company's net deferred tax assets, utilizing its net offering loss carryforwards. The income tax expense approximates expected statutory income tax rates.

We continue to provide a partial valuation allowance against our net deferred tax assets since we believe it is more likely than not that certain of our remaining deferred tax assets will not be realized. Our management will continue to assess the need for this valuation allowance and will make adjustments to it when appropriate.

We incurred a tax expense of approximately $888,000 and realized a tax benefit of approximately $712,000, respectively, for the three and nine-month periods ended September 30, 2015. This resulted from the partial reversal of a valuation allowance against our deferred tax assets, which provided approximately $2.5 million in tax benefit during the first quarter of 2015, as partially offset by an aggregate tax provision of approximately $1.7 million in the second and third quarters of 2015.

Liquidity and Capital Resources

Our current sources of liquidity are (i) our cash on hand and (ii) anticipated royalty revenues from third-party sales of marketed drug products that utilize our proprietary technology (primarily anticipated royalty revenues from sales of PegIntron). While we no longer have any research and development activities, we continue to retain rights to receive royalties from existing licensing arrangements with other companies. We believe that our anticipated royalty revenues, primarily anticipated royalty revenues from sales of PegIntron and our cash on hand, will be sufficient to fund our operations, at least, through September 30, 2017. However, our future royalty revenues are expected to decrease sharply over the next several years and there can be no assurance that we will receive amounts of royalty revenues as anticipated.

Cash was $12.9 million as of September 30, 2016, as compared to $11.7 million as of December 31, 2015. The increase of approximately $1.2 million was attributable to the net cash provided by operating activities.

Off-Balance Sheet Arrangements

As part of our ongoing business, we do not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities (SPEs), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually limited purposes. As of September 30, 2016, we were not involved in any SPE transactions.

Critical Accounting Policies and Estimates

A critical accounting policy is one that is both important to the portrayal of a company's financial condition and results of operations and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

Our consolidated financial statements are presented in accordance with accounting principles that are generally accepted in the U.S. All applicable U.S. GAAP accounting standards effective as of September 30, 2016 have been taken into consideration in preparing the consolidated financial statements. The preparation of the consolidated financial statements requires estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Some of those estimates are subjective and complex, and, consequently, actual results could differ from those estimates. The following accounting policies and estimates have been highlighted as significant because changes to certain judgments and assumptions inherent in these policies could affect our consolidated financial statements.

We base our estimates, to the extent possible, on historical experience. Historical information is modified as appropriate based on current business factors and various assumptions that we believe are necessary to form a basis for making judgments about the carrying value of assets and liabilities. We evaluate our estimates on an ongoing basis and make changes when necessary. Actual results could differ from our estimates.

Revenues

Royalties under our license agreements with third-parties and pursuant to the sale of our former specialty pharmaceutical business are recognized when reasonably determinable and earned through the sale of the product by the third-party and collection is reasonably assured. Notification from the third-party licensee of the royalties earned under the license agreement is the basis for royalty revenue recognition. This information generally is received from the licensees in the quarter subsequent to the period in which the sales occur.

Income Taxes

Under the asset and liability method of accounting for income taxes, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance on a portion of our net deferred tax assets is provided for when it is more likely than not some portion or all of the deferred tax assets will not be realized. As of September 30, 2016, we believe, based on our projections, that it is more likely than not that a portion of our net deferred tax assets, including our net operating losses from operating activities and stock option exercises, will not be realized. We recognize the benefit of an uncertain tax position that we have taken or expect to take on the income tax returns we file if it is more likely than not we will be able to sustain.

Forward-Looking Information and Factors That May Affect Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. All statements contained in the Quarterly Report on Form 10-Q, other than statements that are purely historical, are forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "believes," "expects," "may," "will," "should," "potential," "anticipates," "plans" or "intends" or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy. Forward-looking statements are based upon management's present expectations, objectives, anticipations, plans, hopes, beliefs, intentions or strategies regarding the future and are subject to known and unknown risks and uncertainties that could cause actual results, events or developments to be materially different from those indicated in such forward-looking statements, including, but not limited to, the following risks and uncertainties:

- The proposed dissolution and liquidation of the Company may not be completed in a timely manner or at all.
- The amount we distribute to our shareholders as liquidating distributions, if any, pursuant to the Plan of Liquidation and Dissolution may be substantially less than estimated.
- We derive most of our royalty revenues from continued sales of PegIntron, which have been in decline since 2008, and if sales of PegIntron continue to decline or sales of other drug products for which we receive royalty revenues materially decline, our results of operations and financial position could be materially harmed.
- We may not be able to sustain profitability and we may incur losses over the next several years.
- We may be subject to a variety of types of product liability or other claims based on allegations that the use of our product candidates by participants in our past clinical trials has resulted in adverse effects, and our insurance may not cover all product liability or other claims.
- We may not receive an Immunity Fee from Nektar for the sale of certain products.
- We depend on patents and proprietary rights, which may offer only limited protection against potential infringement and the development of competing products.
- We are party to license and other collaboration agreements that contain complex commercial terms that could result in disputes, litigation or indemnification liability that could cause the value of the Company and our assets and the market price of our common stock to decline.
- We are party to license agreements whereby we may receive royalties from products subject to regulatory approval.
- The price of our common stock has been, and may continue to be, volatile.
- The declaration of dividends is within the discretion of our Board of Directors, subject to any applicable limitations under Delaware corporate law. Our ability to pay dividends in the future depends on, among other things, our future royalty revenues, which are expected to decrease sharply over the next several years, as well as our ability to manage expenses, including costs relating to our ongoing operations.
- Events with respect to our capital stock could cause the number of shares of our common stock outstanding to increase and thereby cause our stockholders to suffer significant dilution.

- Anti-takeover provisions in our charter documents and under Delaware corporate law may make it more difficult to acquire us, even though such acquisitions may be beneficial to our stockholders.

- The issuance of preferred stock may adversely affect rights of our common stockholders.

- A small number of stockholders own a large percentage of our common stock and can influence the outcome of matters submitted to our stockholders for approval.

- Our common stock was recently delisted from The NASDAQ Stock Market and began being quoted for trading on the OTCQX, which may limit the liquidity of our common stock and increase its volatility.

- If we experience an "ownership change," as defined in Section 382 of the Internal Revenue Code of 1986, as amended, our ability to fully utilize our net operating loss carryforwards ("NOLs") on an annual basis will be substantially limited, and the timing of the usage of the NOLs could be substantially delayed, which could therefore significantly impair the value of those benefits.

A more detailed discussion of these risks and uncertainties and other factors that could affect results is contained in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2015, as updated in "Item 1A. Risk Factors" of our subsequent quarterly report on Form 10-Q. These risks and uncertainties and other factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. As such, no assurance can be given that the future results covered by the forward-looking statements will be achieved. All information in this Quarterly Report on Form 10-Q is as of the date of this report, unless otherwise indicated, and we undertake no duty to update this information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We currently hold no financial instruments.

We currently have no outstanding debt.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, under the direction 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 Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of September 30, 2016. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to management, including the Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosures. Our Principal Executive Officer and Principal Financial Officer concluded that, as of September 30, 2016, the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1 Legal Proceedings.

In June 2015, we delivered notice to Nektar Therapeutics, Inc. ("Nektar") asserting a breach of our Cross-License and Option Agreement with Nektar for Nektar's failure to pay an immunity fee that we believe became payable to us under such agreement with respect to certain of our patents that would be infringed by Nektar's products (or those of Nektar's licensees). To date, Nektar has disputed our claim to an immunity fee. On August 14, 2015, the we filed a summons and complaint against Nektar in the Supreme Court of New York for breach of contract. On October 23, 2015, Nektar filed a motion to dismiss the complaint. On February 2, 2016, the Supreme Court of the State of New York granted Nektar its motion to dismiss the complaint. We appealed this dismissal. In an Order dated October 25, 2016, the Supreme Court of the State of New York, Appellate Division reversed the decision of the trial court and denied Nektar's motion to dismiss the Complaint. The case was remanded to the trial court for further proceedings. While we believe that an immunity fee is currently due and payable by Nektar and intend to continue to pursue this claim, the outcome of such dispute is uncertain and there can be no assurance that we will be able to collect, in full or in part, the immunity fee or any future payments related thereto from Nektar. As such, no amounts have been recorded as of September 30, 2016. See Note 9 to our Consolidated Interim Financial Statements in Part I, Item 1 of this Quarterly Report.

Item 1A. Risk Factors.

There are no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed on March 21, 2016, as updated by our Quarterly Report on Form 10-K for the quarter ended June 30, 2016 filed on August 10, 2016.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On December 21, 2010, our Board of Directors had authorized a share repurchase program under which we are authorized to repurchase up to $200.0 million of our outstanding common stock. Since the inception of this share repurchase program, the cumulative number of shares repurchased and retired through September 30, 2016 amounts to 16,174,568 shares at a total cost of $153.4 million, or an average cost per share of approximately $9.48.

Since December 2012, we have suspended repurchases under the share repurchase program and do not currently intend to resume repurchases under the share repurchase program. Accordingly, no shares were repurchased at any time since 2012.

Item 6. Exhibits.

(a) Exhibits required by Item 601 of Regulation S-K.

Exhibit Number	Description	Reference No.
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	*
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	*
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	*
101	The following materials from Enzon Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Cash Flows, and (iv) Notes to Condensed Consolidated Financial Statements. (1)	*

* Filed herewith.

SIGNATURES

Pursuant to the requirements 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.

ENZON PHARMACEUTICALS, INC.
(Registrant)

Dated: November 10, 2016

/s/ Andrew Rackear
Andrew Rackear
Chief Executive Officer and Secretary
(Principal Executive Officer)

Dated: November 10, 2016

/s/ Richard L. Feinstein
Richard L. Feinstein
Vice President-Finance and
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

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* Filed herewith.

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Andrew Rackear, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 of Enzon Pharmaceuticals, 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.

November 10, 2016

/s/ Andrew Rackear
Andrew Rackear
Chief Executive Officer and Secretary
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Richard L. Feinstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 of Enzon Pharmaceuticals, 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.

November 10, 2016

/s/ Richard L. Feinstein
Richard L. Feinstein
Vice President-Finance and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Enzon Pharmaceuticals, Inc. (the Company) on Form 10-Q for the quarterly period ended September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Andrew Rackear Chief Executive Officer and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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.

November 10, 2016

/s/ Andrew Rackear
Andrew Rackear
Chief Executive Officer and Secretary
(Principal Executive Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Enzon Pharmaceuticals, Inc. and will be furnished to the Securities Exchange Commission or its staff upon request.

Exhibit 32.2

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

In connection with the Quarterly Report of Enzon Pharmaceuticals, Inc. (the Company) on Form 10-Q for the quarterly period ended September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Richard L. Feinstein, Vice President-Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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.

November 10, 2016

/s/ Richard L. Feinstein
Richard L. Feinstein
Vice President-Finance and Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Enzon Pharmaceuticals, Inc. and will be furnished to the Securities Exchange Commission or its staff upon request.