

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, 2015

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
For the transition period from ___ to ___

Commission file number 0-12957

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

Delaware
(State of incorporation)

22-2372868
(I.R.S. Employer Identification No.)

20 Kingsbridge Road, Piscataway, New Jersey
(Address of principal executive offices)

08854
(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 30, 2015: 44,182,407

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)

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash	\$ 20,255	\$ 34,562
Other current assets	304	478
Total current assets	20,559	35,040
Deferred tax assets	848	-
Total assets	<u>\$ 21,407</u>	<u>\$ 35,040</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 74	\$ 181
Accrued expenses and other current liabilities	135	458
Accrued lease termination costs	4,552	-
Accrued dividends payable	-	4,417
Total current liabilities	4,761	5,056
Accrued rent liability	-	381
Total liabilities	<u>4,761</u>	<u>5,437</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - \$.01 par value, authorized 3,000,000 shares; no shares issued and outstanding at September 30, 2015 and December 31, 2014	-	-
Common stock - \$.01 par value, authorized 170,000,000 shares; issued and outstanding 44,182,414 shares at September 30, 2015 and 44,174,456 shares at December 31, 2014	441	441
Additional paid-in capital	107,968	130,065
Accumulated deficit	(91,763)	(100,903)
Total stockholders' equity	16,646	29,603
Total liabilities and stockholders' equity	<u>\$ 21,407</u>	<u>\$ 35,040</u>

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,	
	2015	2014	2015	2014
Revenues:				
Royalties	\$ 3,766	\$ 8,133	\$ 14,068	\$ 24,811
Miscellaneous income	73	31	224	94
Total revenues	<u>3,839</u>	<u>8,164</u>	<u>14,292</u>	<u>24,905</u>
Operating expenses:				
General and administrative	213	571	1,312	1,915
Lease termination costs	4,552	-	4,552	-
Total operating expenses	<u>4,765</u>	<u>571</u>	<u>5,864</u>	<u>1,915</u>
Operating income (loss)	<u>(926)</u>	<u>7,593</u>	<u>8,428</u>	<u>22,990</u>
Other income (expense):				
Other, net	-	-	-	61
Total other income	<u>-</u>	<u>-</u>	<u>-</u>	<u>61</u>
Income (expense) before income tax expense	(926)	7,593	8,428	23,051
Income tax expense (benefit)	888	1	(712)	56
Net income (loss)	<u>\$ (1,814)</u>	<u>\$ 7,592</u>	<u>\$ 9,140</u>	<u>\$ 22,995</u>
Earnings (loss) per common share				
Basic	<u>\$ (0.04)</u>	<u>\$ 0.17</u>	<u>\$ 0.21</u>	<u>\$ 0.52</u>
Diluted	<u>\$ (0.04)</u>	<u>\$ 0.17</u>	<u>\$ 0.21</u>	<u>\$ 0.52</u>
Weighted-average shares – basic	<u>44,182</u>	<u>44,131</u>	<u>44,182</u>	<u>44,109</u>
Weighted-average shares – diluted	<u>44,182</u>	<u>44,239</u>	<u>44,214</u>	<u>44,254</u>

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,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 9,140	\$ 22,995
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Gain on disposal of fixed assets	-	(61)
Deferred tax benefit	(848)	-
Changes in operating assets and liabilities	3,915	(583)
Net cash provided by operating activities	12,207	22,351
Cash flows from investing activities:		
Proceeds from sale of fixed assets	-	152
Net cash provided by investing activities	-	152
Cash flows from financing activities:		
Withholding taxes – stock based compensation	(6)	(30)
Common stock dividend	(26,508)	-
Net cash used in financing activities	(26,514)	(30)
Net (decrease) increase in cash and cash equivalents	(14,307)	22,473
Cash and cash equivalents at beginning of period	34,562	6,520
Cash and cash equivalents at end of period	\$ 20,255	\$ 28,993

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

ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Description of Business

Enzon Pharmaceuticals, Inc. (together with its subsidiaries, "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®. The Company also had previously received royalty revenues from licensing arrangement related to sales of Oncaspar and Adagen until the Company's rights to receive royalties on sales of these products expired in 2014. 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. The Company has no intention of resuming any clinical development activities or acquiring new sources of royalty revenues. Royalty revenues from sales of PegIntron accounted for approximately 83% and 77% of the Company's total royalty revenues for the three months ended September 30, 2015 and 2014, respectively, and approximately 80% and 79% of the Company's total royalty revenues in each of the nine-month periods ended September 30, 2015 and 2014 and approximately 79% and 87% of the Company's total royalty revenues for fiscal years 2014 and 2013, 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.

Subsequently, the following significant events occurred:

In April 2013, pursuant to the terms of an asset purchase agreement, the Company sold to Belrose Pharma, Inc. ("Belrose"), all right, title and interest to the Company's Customized PEGylation platform and related assets.

In September 2013, the Company entered into a sublease agreement, which was amended and restated in November 2013, with Axcellerate Pharma, LLC ("Axcellerate") (the "Sublease"), pursuant to which the Company subleases to Axcellerate a portion of the Company's premises consisting of approximately 30,000 rentable square feet of the building located at 20 Kingsbridge Road, Piscataway, New Jersey (the "Premises") and a share of related parking areas. The term of the Sublease commenced on November 14, 2013 and will expire on July 30, 2021. The monthly fixed rent payable by Axcellerate to the Company under the Sublease is as follows: (i) in year one, \$10,417, (ii) in year two, \$15,625, (iii) in year three, \$20,833, (iv) in year four, \$26,042 and (v) in each of years five through eight, \$35,000. The Sublease also provides for Axcellerate to pay additional rent to cover its applicable share of real estate taxes, operating expenses, sewer and gas usage, water usage, electricity usage and certain other charges incurred by Axcellerate.

The Company's premises located at 20 Kingsbridge Road, Piscataway, New Jersey (the "Premises") are currently leased by the Company pursuant to an agreement of lease dated as of April 1, 1995, as amended, with the Landlord (the "Lease"). On September 11, 2015, the Company entered into an Assignment, Assumption and Release Agreement (the "Assignment Agreement") with Kingsbridge 2005, LLC (the "Landlord"), pursuant to which (i) the Company will assign to the Landlord all of the Company's right, title and interest in and all of its obligations under the Lease and the Sublease (the "Assignment") and (ii) the Landlord will accept the Assignment and will release the Company from all obligations (other than certain obligations for which the Company has received written notice of a claim from the Landlord within 90 days after the effectiveness of the Assignment) under the Lease, the Sublease (including the letter of credit held as security for the Sublease) and the Premises (the "Release") in exchange for the Company's payment of \$4.5 million to the Landlord (the "Release Payment"). The amount of Release Payment has been accrued in the Company's financial statements as of September 30, 2015.

The effectiveness of the Assignment Agreement is subject to the consent of the Landlord's mortgage lender. Accordingly, the Assignment, the Release and the Company's obligation to make the Release Payment will not become effective unless and until the Landlord's mortgage lender has provided its written consent to the Assignment Agreement. If the Landlord's mortgage lender does not provide its written consent on or before December 31, 2015, either the Company or the Landlord may terminate the Assignment Agreement and, upon such termination, neither party shall have any rights or obligations under the Assignment Agreement. Because management of the Company believes that it is probable that the Landlord's mortgage lender's approval will be obtained prior to the deadline, the Company has accrued the Release Payment, currently.

In October 2013, the Company terminated its License and Collaboration Agreement with Santaris Pharma A/S ("Santaris") whereby Enzon returned to Santaris the rights to molecules utilizing LNA technology including the mRNA antagonists targeting Hypoxia-Inducible Factor-1 alpha (HIF-1 alpha), the Androgen Receptor (AR), HER3, and Beta-catenin.

In March 2014, the Company entered into a novation agreement with Zhejiang Hisun Pharmaceutical Co., Ltd. ("Hisun") and Belrose (the "Novation Agreement"), pursuant to which the parties confirmed the novation of the Company's Collaboration Agreement with Hisun to Belrose. As a consequence of the Novation Agreement, the Company received a gross amount of \$550,000 from Hisun, the amount of a receivable previously written off, and paid \$249,565 to Belrose. The recording of these transactions resulted in a net reduction of general and administrative expense of \$300,435.

On July 16, 2014, Belrose provided written notice to Hisun asserting multiple breaches by Hisun of the Collaboration Agreement including failure to pay \$450,000 of milestone payments. Belrose provided Hisun up to 60 days to cure the breaches. On September 16, 2014, Belrose notified Hisun and the Company that it was terminating the Collaboration Agreement and demanded the return of material related to PEG-SN38 and a royalty-free right to any Hisun patents related to PEG-SN38. Hisun responded on September 16, 2014 that they rejected Belrose's assertion that Hisun had committed multiple breaches and requested that Belrose continue its performance of technology transfer under the Collaboration Agreement.

The Company received a letter dated April 13, 2015, from counsel for Sigma Tau Pharma Ltd regarding the agreement dated November 9, 2009 (the "Agreement") between the Company and Sigma-Tau Pharmaceuticals, Inc., Defiante Farmaceutica, S.A. and Sigma-Tau Finanziaria, S.P.A. (collectively "Sigma-Tau"). In its letter, Sigma-Tau alleged that it was entitled to offset \$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 under the Agreement. Sigma-Tau claimed that the offset represented the amount by which the net rebate exceeded the reserve for such payments on the balance sheet and was allowed pursuant to the Indemnity provisions of the Agreement. By letter dated April 28, 2015, the Company replied that the offset was not allowed under the Agreement, and that in any event, it was time-barred. Sigma-Tau did not assert that there was any liability beyond an offset against royalties that were otherwise due.

Effective June 25, 2015, the Company and Sigma-Tau agreed to settle the Claim for \$526,128. 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 Agreement 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 our 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. On October 23, 2015, Nektar filed a motion to dismiss the complaint. The motion is presently pending. While the Company believes 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, 2015.

The Company wound down its remaining research and development activities during 2013 and has no intention of resuming any clinical development activities or acquiring new sources of royalty revenues.

(2) Basis of Presentation

Interim Financial Statements

The accompanying 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, 2014.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated as part of the 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 May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (“ASU 2014-09”), which will supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Company is carefully evaluating its existing revenue recognition practices to determine whether any contracts in the scope of the guidance will be affected by the new requirements. The effects may include identifying performance obligations in existing arrangements, determining the transaction price and allocating the transaction price to each separate performance obligation. The Company will also establish practices to determine when a performance obligation has been satisfied, and recognize revenue in accordance with the new requirements. The new standard is effective for the Company on January 1, 2017. Early adoption is not permitted. However, on July 9, 2015, the FASB agreed to delay the effective date of ASU 2014-09 by one year. This would make ASU 2014-09 effective for the Company on January 1, 2018. If this proposal is approved, early adoption of ASU 2014-09 would be permitted effective January 1, 2017. ASU 2014-09 allows for either “full retrospective” adoption, meaning the standard is applied to all of the periods presented, or “modified retrospective” adoption, meaning the standard is applied only to the most current period presented in the financial statements. Management currently believes that this ASU will not have a material impact on the Company’s operating results, financial position or cash flow.

In June 2014, the FASB issued ASU No. 2014-12, *Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period*. The issue is the result of a consensus of the FASB Emerging Issues Task Force (EITF). The amendments in this ASU require that a performance target that affects vesting, and that could be achieved after the requisite service period, be treated as a performance condition. The amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015 and can be either applied prospectively or retrospectively. Earlier adoption is permitted. Management currently believes the adoption this ASU will not have a material impact on the Company’s operating results, financial position or cash flows.

On February 18, 2015, the FASB issued ASU No. 2015-02 “Consolidation (Topic 810): Amendments to the Consolidation Analysis” that amends the current consolidation guidance. The amendments affect both the variable interest entity and voting interest entity consolidation models. The new guidance is effective for the Company beginning January 1, 2016, with early adoption permitted. This new guidance is not expected to have a material impact on the Company’s Consolidated Financial Statements.

On April 7, 2015, the FASB issued ASU No. 2015-03 “Simplifying the Presentation of Debt Issuance Costs,” which requires that debt issuance costs be presented in the balance sheet as a direct deduction from the carrying amount of related debt liability, consistent with debt discounts. Under current accounting standards, such costs are recorded as an asset. The new guidance is effective for the Company beginning January 1, 2016, with early adoption permitted. This new guidance is not expected to have a material impact on the Company’s Consolidated Financial Statements.

(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, 2015 and December 31, 2014 due to their short-term nature.

(5) Supplemental Cash Flow Information

During the nine months ended September 30, 2015, the Company made federal income tax payments of \$137,000 and no interest payments. There were no income tax or interest payments made during the nine months ended September 30, 2014.

(6) Earnings (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,	
	2015	2014	2015	2014
Income (Loss) Per Common Share – Basic:				
Net income (loss)	\$ (1,814)	\$ 7,592	\$ 9,140	\$ 22,995
Weighted-average common shares outstanding	44,182	44,131	44,182	44,109
Basic income (loss) per share	\$ (0.04)	\$ 0.17	\$ 0.21	\$ 0.52
Income (Loss) Per Common Share – Diluted:				
Net income (loss)	\$ (1,814)	\$ 7,592	\$ 9,140	\$ 22,995
Weighted-average common shares outstanding	44,182	44,131	44,182	44,109
Weighted-average incremental shares related to assumed exercise of stock options, vesting of nonvested shares, and ESPP	-	108	32	145
Weighted-average common shares outstanding and common share equivalents	44,182	44,239	44,214	44,254
Diluted income (loss) per share	\$ (0.04)	\$ 0.17	\$ 0.21	\$ 0.52

Shares issuable which could potentially dilute basic EPS in the future include approximately 32,000 shares for vesting of nonvested shares as of September 30, 2015.

(7) Stock-Based Compensation

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

During the quarter ended September 30, 2015, the Company incurred no stock-based compensation expense. No shares were withheld to pay taxes on behalf of employees because no restricted stock units (RSUs) vested during the quarter. During the quarter ended September 30, 2014, the Company incurred no stock-based compensation expense. No shares were withheld to pay taxes on behalf of employees because restricted stock units (RSUs) vested during the quarter, which had a minimal effect on additional paid-in capital.

During the nine months ended September 30, 2015, the Company incurred no stock-based compensation expense. Shares were withheld to pay approximately \$6,000 of taxes on behalf of employees because restricted stock units (RSUs) vested during the period, which had a minimal effect on additional paid-in capital. During the nine months ended September 30, 2014, the Company incurred no stock-based compensation expense.

There were no options granted during the nine months ended September 30, 2015 and no nonvested shares granted during the nine months ended September 30, 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, 2015 and related balances outstanding as of that date are reflected below (in thousands):

	Stock Options	Nonvested Shares
Outstanding at January 1, 2015	519	46
Granted	-	-
Exercised and vested	-	(14)
Expired and forfeited	(121)	-
Outstanding at September 30, 2015	<u>398</u>	<u>32</u>
Options vested and expected to vest at September 30, 2015	<u>398</u>	
Options exercisable at September 30, 2015	<u>356</u>	

(8) Income Taxes

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 three months ended September 30, 2014, the Company recorded no income tax expense.

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 (see below), as partially offset by the tax provision of \$1.78 million recorded in the second and third quarters of 2015. During the nine months ended September 30, 2014, the Company recorded income tax expense of \$56,000.

After reducing its valuation allowance by approximately \$1.78 million during the nine months ended September 30, 2015, the Company continues to provide a valuation allowance against its net deferred tax assets since the Company believes it is more likely than not 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.

(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. We currently have no clinical operations and limited corporate operations. We have no intention of resuming any clinical development activities or acquiring new sources of royalty revenues. Royalty revenues from sales of PegIntron accounted for approximately 83% and 77% of our total royalty revenues for the three months ended September 30, 2015 and 2014, respectively, and approximately 80% and 79% of the Company's total royalty revenues for each of the nine-month periods ended September 30, 2015 and 2014 and approximately 79% and 87% of our total royalty revenues for fiscal years 2014 and 2013, respectively.

We were previously dedicated to the research and development of innovative therapeutics for patients with high unmet medical needs. Beginning in December 2012, our 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 our company. At that time, we suspended substantially all clinical development activities with a goal of conserving capital and maximizing value returned to our stockholders. By April 2013, the review did not result in a definitive offer to acquire us or all or substantially all of our assets. At the same time, we announced that our Board intended to distribute excess cash, expected to arise from ongoing royalty revenues, in the form of periodic dividends to stockholders.

Subsequently, the following significant events occurred:

In April 2013, we entered into an asset purchase agreement with Belrose Pharma, Inc. ("Belrose"), for the sale of all right, title and interest to our Customized PEGylation platform and related assets. The assets included (i) intellectual property and know-how associated with the PEGylation platform, (ii) patents and know-how related to PEG SN-38, (iii) patents and know-how associated with certain of our internal clinical programs and (iv) certain related supplies and equipment.

In September 2013, we entered into a sublease agreement, which was amended and restated in November 2013, with Axcellerate Pharma, LLC ("Axcellerate") (the "Sublease"), pursuant to which we sublease to Axcellerate a portion of our premises consisting of approximately 30,000 rentable square feet of the building located at 20 Kingsbridge Road, Piscataway, New Jersey (the "Premises") and a share of related parking areas. The term of the Sublease commenced on November 14, 2013 and will expire on July 30, 2021. The monthly fixed rent payable by Axcellerate to us under the Sublease is as follows: (i) in year one, \$10,417, (ii) in year two, \$15,625, (iii) in year three, \$20,833, (iv) in year four, \$26,042 and (v) in each of years five through eight, \$35,000. The Sublease also provides for Axcellerate to pay additional rent to cover its applicable share of real estate taxes, operating expenses, sewer and gas usage, water usage, electricity usage and certain other charges incurred by Axcellerate.

On September 11, 2015, we entered into an Assignment, Assumption and Release Agreement (the "Assignment Agreement") with Kingsbridge 2005, LLC (the "Landlord"), pursuant to which (i) we will assign to the Landlord all of the our right, title and interest in and all of our obligations under the Lease (as defined herein) and the Sublease (the "Assignment") and (ii) the Landlord will accept the Assignment and will release us from all obligations (other than certain obligations for which the we have received written notice of a claim from the Landlord within 90 days after the effectiveness of the Assignment) under the Lease, the Sublease (including the letter of credit held as security for the Sublease) and the Premises (the "Release") in exchange for our payment of \$4.5 million to the Landlord (the "Release Payment"). The amount of Release Payment has been accrued in our financial statements as of September 30, 2015.

The effectiveness of the Assignment Agreement is subject to the consent of the Landlord's mortgage lender. Accordingly, the Assignment, the Release and the Company's obligation to make the Release Payment will not become effective unless and until the Landlord's mortgage lender has provided its written consent to the Assignment Agreement. If the Landlord's mortgage lender does not provide its written consent on or before December 31, 2015, either the Company or the Landlord may terminate the Assignment Agreement and, upon such termination, neither party shall have any rights or obligations under the Assignment Agreement. Because our management believes that it is probable that the Landlord's mortgage lender's approval will be obtained prior to the deadline, we have accrued the Release Payment, currently.

In October 2013, we terminated our License and Collaboration Agreement with Santaris Pharma A/S ("Santaris"), whereby we returned to Santaris the rights to molecules utilizing LNA technology including the mRNA antagonists targeting Hypoxia-Inducible Factor-1 alpha (HIF-1 alpha), the Androgen Receptor (AR), HER3, and Beta-catenin.

In March 2014, we entered into a novation agreement with Zhejiang Hisun Pharmaceutical Co., Ltd. ("Hisun") and Belrose (the "Novation Agreement"), pursuant to which the parties confirmed the novation of our Collaboration Agreement with Hisun to Belrose. As a consequence of entering into the Novation Agreement, we received a gross amount of \$550,000 from Hisun, the amount of a receivable previously written off, and paid \$249,565 to Belrose. The recording of these transactions resulted in a net reduction of general and administrative expense of \$300,435 during the first quarter of 2014.

On July 16, 2014, Belrose provided written notice to Hisun asserting multiple breaches by Hisun of the Collaboration Agreement including failure to pay \$450,000 of milestone payments. Belrose provided Hisun up to 60 days to cure the breaches. On September 16, Belrose notified Hisun and Enzon that it was terminating the Collaboration Agreement and demanded the return of material related to PEG-SN38 and a royalty-free right to any Hisun patents related to PEG-SN38. Hisun responded on September 16 that they rejected Belrose's assertion that Hisun had committed multiple breaches and requested that Belrose continue its performance of technology transfer under the Collaboration Agreement.

We received a letter dated April 13, 2015, from counsel for Sigma Tau Pharma Ltd regarding the agreement dated November 9, 2009 (the "Agreement") between us and Sigma-Tau Pharmaceuticals, Inc., Defiante Farmaceutica, S.A. and Sigma-Tau Finanzaria, S.P.A. (collectively "Sigma-Tau"). In its letter, Sigma-Tau alleged that it was entitled to offset \$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 to us as royalty payments under the Agreement. Sigma-Tau claimed that the offset represented the amount by which the net rebate exceeded the reserve for such payments on the balance sheet and was allowed pursuant to the Indemnity provisions of the Agreement. By letter dated April 28, 2015, we replied that the offset was not allowed under the Agreement, and that in any event, it was time-barred. Sigma-Tau did not assert that there was any liability beyond an offset against royalties that were otherwise due.

Effective June 25, 2015, we and Sigma-Tau agreed to settle the Claim. Pursuant to the terms of the settlement, 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 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 the Agreement for such calendar year. We retained the right 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 the 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. The motion is presently pending. 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, 2015.

Throughout this Management’s Discussion and Analysis, the primary focus is on our results of operations, cash flows, 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,		
	% Change		2014	% Change		2014
	2015	2014		2015	2014	
Royalty revenue	\$ 3.8	(53)	\$ 8.1	\$ 14.1	(43)	\$ 24.8

Most of our royalty revenues are derived from sales of PegIntron. Royalty revenues from sales of PegIntron by Merck accounted for approximately 83% and 77% of our total royalty revenues for the three months ended September 30, 2015 and 2014, respectively, and approximately 80% and 79% of our total royalty revenues for the nine months ended September 30, 2015 and 2014, respectively. Royalty revenues from Merck have been declining and this trend is expected to continue. Merck has announced that its sales of PegIntron in the first nine months of 2015 decreased 51% to \$148 million from \$300 million in the first nine months of 2014.

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

PegIntron royalties from:	Three Months Ended September 30,		Dollar Change	Percent Change	Nine Months Ended September 30,		Dollar Change	Percent Change
	2015	2014			2015	2014		
US sales*	\$ 0.24	\$ 1.05	\$ (0.81)	(77)%	\$ 0.74	\$ 2.41	\$ (1.67)	(69)%
Foreign sales - Europe	0.72	1.43	(0.71)	(50)%	2.61	5.35	(2.74)	(51)%
Foreign sales - Japan	0.38	1.51	(1.13)	(75)%	1.62	3.31	(1.69)	(51)%
Foreign sales - Other	1.83	2.31	(0.48)	(21)%	6.30	8.61	(2.31)	(27)%
Total	\$ 3.17	\$ 6.30	\$ (3.13)	(50)%	\$ 11.27	\$ 19.68	\$ (8.41)	(43)%

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

Miscellaneous Income

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

Miscellaneous income was \$93,750 and \$31,250 for the nine months and three months ended September 30, 2014, 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,		
	2015	% Change	2014	2015	% Change	2014
General and administrative	\$ 0.2	(67)	\$ 0.6	\$ 1.3	(32)	\$ 1.9

General and administrative expenses decreased by \$.4 million, or 67%, to \$0.2 million for the third quarter of 2015 from \$0.6 million for the third quarter of 2014. This decrease is primarily attributable to the write-off of accrued rent in connection with our lease termination.

General and administrative expenses decreased by approximately \$.6 million or 32%, to approximately \$1.3 million for the first nine months of 2015 from approximately \$1.9 million for the first nine months of 2014. The decrease in expense is primarily attributable to the write-off of accrued rent in connection with our lease termination and, to a lesser extent, a decrease in utility costs. In the comparable period in the prior year, the Company had a one-time reduction in general and administrative expenses of \$550,000, representing a recovery of a receivable previously written off, which had the effect of reducing general and administrative expenses during the first nine months of 2014. In addition, in the first nine months of 2014, the Company had a gain on the sale of fixed assets of \$61,000, which reduced general and administrative expenses during that period. There were no comparable amounts in the first nine months of 2015.

Lease Termination Costs

In connection with the termination of our lease for our 20 Kingsbridge Road property, the effectiveness of which remains subject to the consent of the Landlord's mortgage lender, which we believe is probable, we accrued an aggregate of approximately \$4,552,000 in the third quarter, primarily attributable to the one-time lump sum termination fee of \$4.5 million agreed upon in assignment, assumption, and release agreement between us and Kingsbridge 2005, LLC and a severance payment of approximately \$52,000.

Tax Benefit:

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 \$1,700,000 in the second and third quarters of 2015. There were no corresponding amounts in the prior year's comparable periods.

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 December 31, 2016. However, there can be no assurance that we will receive amounts of royalty revenues as anticipated.

Cash was \$20.3 million as of September 30, 2015, as compared to \$34.6 million as of December 31, 2014. The decrease of approximately \$14.3 million was primarily attributable to net cash provided by operating activities of approximately \$12.2 million and cash used in financing activities of \$26.6 million, almost all of which related to dividends paid to shareholders in January and August 2015.

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, 2015, we were not involved in any SPE transactions.

Contractual Obligations

Our major outstanding contractual obligations relate to our operating leases and license agreements with collaborative partners. Other than the expected termination of our lease for our 20 Kingsbridge Road property, there have been no material changes since December 31, 2014 with respect to our contractual obligations.

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, 2015 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.

Contingent payments due under the asset purchase agreement related to the sale of our former specialty pharmaceutical business will be recognized as income if and when the milestone has been achieved and collection is assured. Such payments are non-refundable, and no further effort is required on the part of the Company or the other party to complete the earning process. Non-refundable payments received upon entering into license and other collaborative agreements where we have continuing involvement are recorded as deferred revenue and recognized ratably over the estimated service period.

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, 2015, we believe, based on our projections, that it is more likely than not that 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:

- Our Board of Directors may decide in the future to pursue a dissolution and liquidation of the Company.
- 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 clinical trials has resulted in adverse effects, and our insurance may not cover all product liability or other claims.
- 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 over time, 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.
- If we are unable to satisfy the continued listing requirements of The NASDAQ Stock Market, our common stock could be delisted and the price and liquidity of our common stock may be adversely affected.
- 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, 2014, as updated in “Item 1A. Risk Factors” of our subsequent quarterly reports 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, 2015. 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. The Company’s Principal Executive Officer and Principal Financial Officer concluded that, as of September 30, 2015, 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, 2015 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, 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. The motion is presently pending. 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, 2015.

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, 2014 filed on March 5, 2015 (“2014 Form 10-K”).

Item 6. Exhibits.

Exhibits required by Item 601 of Regulation S-K.

Exhibit Number	Description	Reference No.
10.1	Assignment, Assumption and Release Agreement, dated as of September 11, 2015, by and among Enzon Pharmaceuticals, Inc. and Kingsbridge 2005, LLC	*
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, 2015, 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 6, 2015

/s/ George W. Hebard III

George W. Hebard III
Interim Principal Executive Officer,
Interim Chief Operating Officer and Secretary
(Principal Executive Officer)

Dated: November 6, 2015

/s/ Richard L. Feinstein

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

EXHIBIT INDEX

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101	The following materials from Enzon Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, 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.

ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT (this "Agreement"), made as of the 11th day of September, 2015 by and among KINGSBRIDGE 2005, LLC, a New Jersey limited liability company, having an office at 83 South Street, Morristown, New Jersey 07960 (hereinafter "Landlord") and ENZON PHARMACEUTICALS, INC., f/k/a Enzon, Inc., a Delaware corporation, having an office at 20 Kingsbridge Road, Piscataway, New Jersey 08854 (hereinafter "Tenant").

WITNESSETH:

WHEREAS, by Lease Agreement dated April 1, 1995 between Holland Realty Corp., predecessor-in-interest to Landlord, and Tenant (the "Original Lease"), as amended by that certain First Amendment to Lease dated as of November 15, 2001 between BDG Kingsbridge L.L.C. and Tenant (the "First Amendment"), and as further amended by that certain Consent to Sublease and Amendment to Lease dated November 14, 2013 by and among Landlord, Tenant and Axcellerate Pharma, LLC ("Subtenant") (the "Consent", together with the Original Lease and the First Amendment, the "Lease"), Landlord did demise and let unto Tenant and Tenant did hire and take from Landlord that certain building (the "Building") and property located at 20 Kingsbridge Road, Piscataway, New Jersey (the "Premises"), as more fully described in the Lease; and

WHEREAS, Tenant and Subtenant entered into that certain Amended and Restated Agreement of Sublease dated November 13, 2013 (the "Sublease"), whereby Tenant did sublease and sublet to Subtenant a portion of the Premises (the "Sublease Premises"), as more fully described in the Sublease; and

WHEREAS, the term of the Lease is set to expire on July 31, 2021; and

WHEREAS, Tenant desires to assign its interest in the Lease and the Premises and to be released from its obligations under the Lease as of the Assignment Date (as defined herein), and Landlord is willing to agree to accept such assignment of Tenant's interest in the Lease and the Premises, to assume the obligations of Tenant under the Lease and under the Sublease from and after the Assignment Date, and to release Tenant from its obligations under the Lease and the Sublease, all upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the mutual receipt and legal sufficiency of which is hereby acknowledged, Landlord and Tenant agree as follows:

1. The foregoing Recitals are incorporated in this Agreement and made a part hereof by this reference to the same extent as if set forth herein in full. Landlord and Tenant agree that, notwithstanding anything to the contrary contained in the Lease or in this Agreement, it is the intention of the parties that the Landlord's acquisition of the Tenant's interest and estate in the Lease pursuant to this Agreement shall not cause, nor be deemed to cause to occur, a merger of the leasehold estate and the fee estate lessee in the Premises nor in the Lease.

2. Subject to the provisions of this Agreement and notwithstanding anything to the contrary set forth in the Lease or in any other agreement, (a) Tenant, as assignor, hereby assigns, sets over and transfers unto Landlord, as assignee, to have and to hold, all of Tenant's right, title and interest in and all of Tenant's obligations under and benefits in, the Lease and the Premises, together without limitation, the Sublease and subject to Subtenant's occupancy of the Sublease Premises, as of the later to occur of (i) August 1, 2015, or (ii) ten (10) days after the date of receipt by Tenant of the Fee Mortgagee Consent (as defined herein) (the "Assignment Date") and, subject to Section 5(a) hereof, Tenant shall be released from all obligations under the Lease, and (b) effective on the Assignment Date, Landlord shall accept and assume all of Tenant's right, title and interest in and to, and obligations under, the Premises, the Lease and the Sublease, and subject to Section 5(a) hereof, Tenant's liability under the Lease accruing from and after the Assignment Date shall be wholly extinguished. Landlord agrees to keep Tenant generally informed of the status of responses from and substantive correspondence with the Fee Mortgagee (as defined herein) and to immediately transmit to Tenant a copy of the Fee Mortgagee Consent upon Landlord's receipt thereof.

3. On or before the Assignment Date (a) Tenant shall deliver to Landlord the lump sum of \$4,500,000.00 by wire transfer, as consideration for Landlord's agreement, in accordance with the terms hereof, to release Tenant from all liability under the Lease as set forth herein, and (b) Tenant shall deliver, and Landlord shall accept, possession of the Premises in its present "as is" condition, normal wear and tear excepted, subject to the Sublease and the continued use and occupancy of the Sublease Premises by Subtenant. Tenant's obligations to pay fixed annual rent and all additional rent, escalations and all other amounts under the Lease accruing after the Assignment Date shall cease to accrue as of the Assignment Date. Any option of Tenant to purchase all or any part of the Premises shall be null and void as of the Assignment Date. In the event that the Landlord named herein sells, transfers or conveys its fee interest in the Premises, including any sale, transfer or conveyance of the membership interests or other indirect ownership interests in Landlord or any parent entity, at any time prior to the date of receipt of the fully executed Fee Mortgagee Consent, the Landlord's obligations herein shall be assumed in full by the successor owner (or the successor members or indirect owners) and such assumption obligation shall be expressly set forth in the applicable purchase and sale agreement, and Landlord shall give written notice to Tenant of any such pending sale, transfer or conveyance not less than ten (10) days prior to the closing date of such sale, transfer or conveyance.

4. Landlord and Tenant acknowledge and agree that on the Assignment Date, the Sublease shall be assigned from Tenant to and assumed by Landlord. Tenant represents that as of the date hereof (i) Tenant has not assigned its rights under the Sublease to any other party and there is no restriction on the assignment of the Sublease to Landlord; (ii) there is no default by the Tenant under the Sublease and, to Tenant's knowledge, Subtenant is not in default of its obligations under the Sublease except that Subtenant has not made its payments of operating expenses due May 31st and June 30th of 2015 (approximately \$65,340.00 in the aggregate for such two (2) months, with the July 2015 payment not yet due and owing); and (iii) there is no security deposit due or owing to Subtenant under the Sublease except for the Letter of Credit referred to in Section 5 below. For the avoidance of doubt, this Agreement does not, and shall not be deemed (a) to restrict Tenant's right to terminate the Sublease, in connection with the exercise of Tenant's rights under the Sublease, in accordance with its terms; nor (b) to restrict Tenant's right to terminate the Lease pursuant to Articles XI (casualty) or XII (condemnation) of the Lease, in accordance with the terms of such Articles; nor (c) to restrict Tenant's rights to give default notices to, and to seek any remedy, including without limitation, the right of termination, against, the Subtenant (provided however, Tenant shall not give any default notice to Subtenant nor commence any eviction action against Subtenant without first obtaining the prior consent of the Landlord thereto, it being agreed that Landlord shall not unreasonably withhold, delay or condition any such consent); nor (d) to create any additional restrictions or obligations upon Tenant's right, as set forth in the Lease, to sublease and to enter into subleases for all or any portion of the Premises. Provided that (i) a sublease (the "PuraCap Sublease") has been executed in favor of PuraCap Pharmaceutical, LLC ("PuraCap") which grants Puracap a free rent period of at least 12 months, a consent agreement consenting to such PuraCap Sublease has been executed by and among the Landlord, PuraCap and Enzon, and PuraCap has taken possession of the premises subleased to PuraCap pursuant to the PuraCap Sublease, and (ii) PuraCap is not otherwise in default under the PuraCap Sublease on or before January 1, 2016 or any time thereafter, Enzon hereby agrees to pay to the Prime Landlord within the time periods as provided in the Sublease, on a monthly basis, the monthly fixed sublease rent which would have been paid by PuraCap pursuant to the PuraCap Sublease if there were no rent abatement in effect after January 1, 2016, beginning on the later of January 1, 2016 or the Assignment Date until the earlier of (a) the date that all such payments made by Enzon equals \$200,000; or (b) the date that PuraCap no longer has a right to an abatement of its Fixed Rent pursuant to the terms of its Sublease.

5. (a) As of the Assignment Date, Landlord (i) shall accept possession of the Premises in the condition as described in Section 3 above, subject to the Sublease and the subtenancy provided for thereunder, (ii) shall accept the assignment of all of Tenant's right, title and interest in and to, and hereby agrees to assume performance of all of Tenant's obligations under, the Sublease, from and after the Assignment Date, to have and to hold the same unto Landlord, as assignee, its successors and assigns forever, subject to all of the rents, terms, covenants and conditions of the Sublease, including for purposes of this assignment and assumption, all obligations of Tenant contained in the Lease to the extent such obligations were expressly incorporated into the Sublease and to be performed by Tenant as sublandlord, (iii) shall accept that certain Irrevocable Standby Letter of Credit No. 7540673036-900 issued by Morgan Stanley Bank, N.A., as issuer (the "Letter of Credit"), or in such amount as may then exist (or the cash balance thereof as may then be held by Tenant), and Tenant shall cause the issuer to reissue the Letter of Credit in Landlord's name as beneficiary thereunder, promptly after such Assignment Date but no later than thirty (30) days after later of (X) the Assignment Date or (Y) the date that Landlord executes and delivers to Tenant the transfer form required in connection with the assignment of the Letter of Credit, and (iv) except for the Release Exceptions (as hereinafter defined), does hereby waive any and all claims, defaults and obligations against or owed by Tenant and does hereby release Tenant and its successors and assigns, of and from any and all claims, damages, covenants, agreements, contracts, obligations, liabilities, actions and courses of action, of every kind and nature whatsoever, arising out of or in connection with the Lease, the Sublease, the Letter of Credit and the Premises. Notwithstanding the foregoing, Tenant shall not be released by Landlord for (i) any adverse change in condition of the Premises that occurs between the date hereof and the Assignment Date to the extent that such condition is the responsibility of Tenant under the Lease, (ii) any adverse environmental condition at the Premises which, prior to the Assignment Date, is determined by the Landlord to exist, to the extent that such condition is the responsibility of Tenant under the Lease, and (iii) Tenant's obligations with respect to its obligations herein as to the Letter of Credit (collectively the "Release Exceptions"); provided however, unless Landlord shall have commenced a claim regarding any of such Release Exceptions and Tenant shall have received a written notice of such claim (the "Claim Notice") not later than ninety (90) days after the Assignment Date **TIME BEING OF THE ESSENCE**, Tenant shall be released and deemed to have been released from, and Landlord shall be deemed to have expressly waived any and all remedies it may have against Tenant for, any and all liability arising in connection with any such Release Exceptions for which a Claim Notice has not been received by Tenant on or before such ninetieth (90th) day, **TIME BEING OF THE ESSENCE**.

(b) As of the Assignment Date, Tenant (i) hereby agrees to deliver possession of the Premises to Landlord in the condition as described in Section 3 above, subject to the Sublease and the subtenancy provided for thereunder, (ii) shall assign to Landlord, its successors and assigns, subject to all of the rents, terms, covenants and conditions of the Sublease, all of Tenant's right, title and interest in and to, and all obligations of Tenant to perform under, the Sublease, including for purposes of this assignment, all obligations of Tenant contained in the Lease to the extent such obligations were expressly incorporated into the Sublease and were to be performed by Tenant as sublandlord, (iii) agrees to deliver the Letter of Credit (or the cash balance thereof as may then be held by Tenant) to Landlord within the time frame set forth in Section 5(a), and (iv) except for those liabilities, costs and expenses for which Landlord has indemnified Tenant pursuant to Section 6 below, does hereby waive any and all claims, defaults and obligations against or owed by Landlord and does hereby release Landlord and its successors and assigns, of and from any and all claims, damages, covenants, agreements, contracts, obligations, liabilities, actions and causes of action, of every kind and nature whatsoever arising out of the Lease and the Premises. The assignment by Tenant as set forth in this Section 5(b), is made without any recourse, warranty or representation, except as set forth herein.

6. Landlord shall indemnify and hold Tenant harmless from and against any and all liability, cost and expense (including, without limitation, reasonable attorney's fees and other charges) arising out of the claims made by Subtenant under the Sublease against the Sublandlord but only for items which accrue after the Assignment Date.

7. The parties hereto acknowledge and agree that this Agreement is subject to the consent of the Landlord's mortgage lender (the "Fee Mortgagee"). Landlord agrees, at Landlord's cost and expense, to promptly request the issuance of such Fee Mortgagee's consent and to act in good faith and to diligently seek to obtain such consent. In furtherance of obtaining such consent, the parties agree to submit such forms, provide such information and take such other actions as may be reasonably requested by the Fee Mortgagee, to the extent that such forms, information and actions are in the possession of or can reasonably be performed by such party; provided however, (i) Tenant shall have no obligation to incur additional expenses or to agree to adverse terms; and (ii) Landlord shall have no obligation to incur additional expenses or to agree to terms that are unacceptable to Landlord in its sole discretion. In the event Fee Mortgagee fails or refuses to issue its written consent to provisions set forth in this Agreement (the "Fee Mortgagee Consent") on or before December 31, 2015, either Landlord and/or Tenant shall have the right to terminate this Agreement by notice to the other party (the termination date, as set forth in such notice, the "Termination Date"), and, upon receipt of such termination notice, all payments, if any, paid to Landlord on account of this Agreement, shall be returned to Tenant and this Agreement shall be deemed void *ab initio* and from and after the Termination Date no party shall have any further rights or obligations hereunder. Upon receipt of the Fee Mortgagee Consent, this Section 7 shall be deemed void and without further force or effect.

8. Tenant, Landlord and Subtenant each represent and warrant to the other parties hereto that such representing party has not dealt with any broker, finder or like agent in connection with this Agreement and the transactions contemplated hereby, other than Jones Lang LaSalle (“JLL”). Tenant shall pay a leasing commission to JLL as set forth in a separate commission agreement. The parties shall indemnify and hold each of the other parties hereto harmless from and against any and all liability, cost and expense (including, without limitation, reasonable attorney’s fees and other charges) arising out of the breach on their respective parts of any representation or agreement contained in this Section 8.

9. Every notice, demand, consent, approval, request or other communication (collectively, “notices”) which may be or is required to be given under this Agreement or by law shall be in writing and shall be sent either (a) by United States certified or registered mail, postage prepaid, return receipt requested, or (b) by overnight courier, and shall be addressed:

To Landlord at:	Kingsbridge 2005, LLC 83 South Street Morristown, New Jersey 07960 Attn: Norman Feinstein
with copy to:	Feinstein, Raiss, Kelin & Booker, LLC Eisenhower Corporate Campus 290 W. Mt. Pleasant Ave. Suite 1340 Livingston, NJ 07039 Attn: Richard Kelin, Esq.
To Tenant at:	Enzon Pharmaceuticals, Inc. 20 Kingsbridge Road Piscataway, NJ 08854 Attn: Principal Executive Officer
with copy to:	Curtis, Mallet-Prevost, Colt & Mosle LLP 101 Park Avenue New York, NY 10178 Attn: Catherine M. Baecher, Esq.
and copy also to:	Andrew Rackear, General Counsel at andrew.rackear@enzon.com

And the same shall be deemed delivered (a) the third business day after deposited in the United States mail or (b) the business day following delivery to an overnight courier. A notice given by counsel for a party, or to counsel for a party, shall be deemed a valid notice if addressed and sent in accordance with the provisions of this Section. Either party may designate, by similar written notice to the other party, any other address for such purposes.

10. Any personal property of Tenant which shall remain in the Building after the Assignment Date, may, at the option of Landlord, be deemed to have been abandoned by Tenant and, subject to Subtenant's rights therein, if any, may be retained by Landlord as its property or be disposed of, without accountability or liability to Tenant, in such manner as Landlord may see fit.

11. Landlord and Tenant, each represent and warrant to the other party hereto, that such representing party has the legal power, right and authority to enter into this Agreement and to consummate the transactions contemplated hereby; and all requisite corporate action has been taken in connection with each such party's entering into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby. Landlord represents that, other than the Fee Mortgagee Consent, no further consents or approvals are necessary, required or proper for its entering into this Agreement, including, without limitation, the approval or consent of any other mortgagee or any ground landlord.

12. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and there are no verbal or collateral understandings, agreements, representations or warranties not expressly set forth in this Agreement. This Agreement may not be modified, amended or terminated nor any of its provisions waived except by an agreement in writing signed by the party against whom enforcement of any modification, amendment or waiver is sought.

13. This Agreement shall be governed by the laws of the State of New Jersey. The covenants, agreements, terms, provisions and conditions contained in this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall constitute one instrument. The parties hereto agree to accept a digital image (received by facsimile, PDF or other electronic means) of this Agreement, as fully executed, as a true and correct original and admissible as best evidence to the extent permitted by a court with proper jurisdiction.

15. Except as otherwise set forth in this Section 15, Tenant shall maintain as strictly confidential the contents of this Agreement and the transactions contemplated hereby, and shall not disclose such information to any third party; provided however, from and after the date hereof, Tenant shall have the right to (a) disclose a copy of this Agreement and the contents of this Agreement to any person within Tenant's organization or any Tenant Representative (as hereinafter defined), the Fee Mortgagee, and (b) disclose a copy of this Agreement and the contents of this Agreement and make such additional disclosures as may be required by law (including as may be required by applicable securities laws as determined in good faith by Tenant), regulation, subpoena or court order (collectively, the "Permitted Disclosures"). Tenant shall cause its employees, agents, attorney and representatives ("Tenant Representatives") to maintain the same confidentiality. Except for or in connection with any Permitted Disclosures, Tenant will not divulge any such information to other persons or entities. It is acknowledged by Tenant that this provision is important to Landlord and, unless arising out of or relating to the negligence or willful misconduct of or disclosures by Landlord or the Fee Mortgagee, Tenant shall be liable for any damages suffered by Landlord, including reasonable attorneys' fees and court costs, to enforce the provisions of this Section 15, upon the breach of the provisions of this Section 15 by Tenant and/or Tenant Representatives. It is acknowledged and agreed by Landlord that Tenant is a public company and that Tenant and the Tenant Representatives shall have no liability for any damages suffered by Landlord as may occur in connection with disclosures from, through, under or by means of (i) a Permitted Disclosure, and (ii) any subsequent disclosures by any person or entity to which/whom the initial disclosure constitutes a Permitted Disclosure. Notwithstanding the foregoing, at the prior written request of Landlord at Landlord's option, Tenant shall request Subtenant to execute any estoppel or Subordination, Non-Disturbance Agreement (a "SNDA") which may be requested by Landlord; provided however, Tenant shall have no liability to Landlord under this Section 15 for any disclosure of this Agreement and/or any of the terms contained in this Agreement which disclosure comes about or arises in connection with the request to Subtenant for Subtenant's execution of any such Estoppel Agreement and/or SNDA. Notwithstanding anything to the contrary contained in this Agreement, the Confidentiality obligations herein and the liability for breach of the terms of this Section 15 shall cease on the earlier to occur of (i) the date that a copy of (or the text of) this Agreement is disclosed to and/or filed with the Securities and Exchange Commission or other governmental agency by Tenant in compliance with applicable securities laws, as determined in good faith by Tenant, or (ii) the Termination Date, or (iii) the day following the Assignment Date.

[SIGNATURE PAGE FOLLOWS]

Landlord and Tenant have duly executed this Assignment, Assumption and Release Agreement as of the day and year first above written.

LANDLORD:

KINGSBRIDGE 2005, LLC
Shelbourne Jersey Portfolio 2, Limited Liability Company
Shelbourne HPVI Management Group, LLC, its Managing Member
By: HPFVI Shelbourne LLC, its Managing Member
By: Hampshire Partners Fund VI, L.P., its Sole Member
By: Hampshire Partners, LLC, its General Partner
By: /s/ Norman A. Feinstein
Name: Norman A. Feinstein
Title: Vice Chairman

TENANT:

ENZON PHARMACEUTICALS, INC.
By: /s/ George W. Hebard III
Name: George W. Hebard III
Title: Interim Principal Executive Officer

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

I, George W. Hebard III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 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 6, 2015

/s/ George W. Hebard III
George W. Hebard III
Interim Principal Executive Officer, Interim Chief Operating
Officer and Secretary (Principal Executive Officer)

**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, 2015 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 6, 2015

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

**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, 2015 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, George W. Hebard III, Interim Principal Executive Officer, Interim Chief Operating 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 6, 2015

/s/ George W. Hebard III

George W. Hebard III
Interim Principal Executive Officer, Interim
Chief Operating 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.

**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, 2015 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Richard L. Feinstein, Vice President-Finance and Principal 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 6, 2015

/s/ Richard L. Feinstein

Richard L. Feinstein

Vice President-Finance and Principal 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.
