

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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2019

OR

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

For the transition period from \_\_\_ to \_\_\_

Commission file number: 0-12957

**Enzon Pharmaceuticals, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or  
organization)

**22-2372868**

(I.R.S. Employer Identification No.)

**20 Commerce Drive (Suite 135), Cranford, New Jersey**

(Address of principal executive offices)

**07016**

(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.01 par value

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the 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 every Interactive Data File required to be submitted 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 such files).  Yes  No

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

The aggregate market value of the Common Stock, \$0.01 par value per share ("Common Stock"), held by non-affiliates of the registrant was approximately \$11,937,942 as of June 28, 2019, based upon the closing sale price quoted on the OTCQX market of the OTC Markets Group, Inc. of \$0.27 per share reported for such date. Shares of Common Stock held by each executive officer and director of the registrant as of June 28, 2019 have been excluded in that such shares may be deemed to be owned by affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

There were 44,214,603 shares of Common Stock issued and outstanding as of February 7, 2020.

DOCUMENTS INCORPORATED BY REFERENCE

If the registrant files a definitive proxy statement relating to its 2020 Annual Meeting of Stockholders with the Commission not later than 120 days after December 31, 2019, portions of such definitive proxy statement will be incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. However, if such definitive proxy statement is not filed with the Commission in such 120-day period, the registrant will file an amendment to this Annual Report

on Form 10-K with the Commission not later than the end of such 120-day period to include the information required by Part III of Form 10-K.

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ENZON PHARMACEUTICALS, INC.

2019 Annual Report on Form 10-K

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

This Annual Report on Form 10-K contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements contained in this Annual Report on Form 10-K, 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 “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 the risks and uncertainties set forth in Item 1A. Risk Factors of this Annual Report on Form 10-K. These risks and uncertainties 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 Annual Report on Form 10-K speaks only as of the date of the filing of this report, unless otherwise indicated. We do not intend to update this information to reflect events after the date of this report.

Our website is located at [www.enzon.com](http://www.enzon.com). Copies of our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and our other reports filed with the Securities and Exchange Commission, or the SEC, can be obtained, free of charge as soon as reasonably practicable after such material is electronically filed with, or furnished to the SEC, by calling (732) 980-4500, through the SEC’s website by clicking the SEC Filings link from the Investors and Media page on our website at [www.enzon.com](http://www.enzon.com) or directly from the SEC’s website at [www.sec.gov](http://www.sec.gov). Our website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K.

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**FORM 10-K**  
**ENZON PHARMACEUTICALS, INC.**

**PART I.**

**Item 1. Business**

Enzon Pharmaceuticals, Inc. (together with its subsidiaries, the “Company,” “Enzon,” “we” or “us”), manages its sources of royalty revenues from existing licensing arrangements with other companies primarily related to sales of certain drug products that utilize our proprietary technology. We currently have no clinical operations and limited corporate operations and have no intention of resuming any clinical development activities or acquiring new sources of royalty revenues. We have no assurance that we will earn material future royalties or milestones.

In 2019, we earned limited revenues primarily from royalties and we do not expect to generate material recurring revenues in future periods. In July 2019, we received a \$7.0 million milestone payment that had been earned and recorded as revenue in December 2018 when the U.S. Food and Drug Administration (“FDA”) approved the Biologics License Application (“BLA”) filed by Servier IP UK Limited (“Servier”) for calaspargase pegol – mknl (brand name ASPARLAS™), also known as SC Oncaspar, as a component of a multi-agent chemotherapeutic regimen for the treatment of acute lymphoblastic leukemia in pediatric and young adult patients age 1 month to 21 years.

The primary source of our royalties and milestone revenues in 2018 was the \$7 million milestone payment due from Servier. After being notified that the FDA had approved Servier’s BLA on December 20, 2018, we recorded revenue and a milestone receivable of \$7.0 million at December 31, 2018. Servier, a wholly-owned indirect subsidiary of Les Laboratoires Servier, was the successor in interest to Sigma-Tau Finanziaria S.p.A. (“Sigma-Tau”) under an asset purchase agreement (“Asset Purchase Agreement”) entered into in November 2009 by and among Klee Pharmaceuticals, Inc., Defiante Farmac utica, S.A. and Sigma-Tau, on the one hand, and the Company, on the other hand. Under a letter agreement between the Company and Servier dated January 30, 2019, Servier confirmed its obligation under the Asset Purchase Agreement to pay the \$7.0 million milestone payment to the Company, which it agreed to do following the parties’ completion of procedures for claiming benefits under the double tax treaty between the United States and the United Kingdom. The Company received that \$7.0 million milestone payment, which had been recorded as a current receivable on December 31, 2018, in July 2019. Under the letter agreement, the Company also agreed to waive Servier’s obligations under the Asset Purchase Agreement to pursue the development of SC Oncaspar in Europe and the approval of SC Oncaspar by the European Medicines Agency (“EMA”), provided that the Company did not waive its right to any applicable milestone payment it was due, if any, upon EMA approval of SC Oncaspar. At the present time, we are not aware of any plans that Servier may have to seek EMA approval of SC Oncaspar.

In 2017, the Company and Nektar Therapeutics, Inc. (“Nektar”) entered into a second amendment (the “Nektar Second Amendment”) to their Cross-License and Option Agreement (the “Nektar License Agreement”). Pursuant to the Nektar Second Amendment, Nektar paid the Company the sum of \$7.0 million in full satisfaction of its obligation to make future royalty payments to the Company under the Nektar License Agreement. The Company received the full \$7.0 million payment from Nektar in 2017, which was recorded as non-recurring milestone revenue.

Prior to 2017, our primary source of royalty revenues was derived from sales of PegIntron, which is marketed by Merck & Co., Inc. (“Merck”). At December 31, 2018, according to Merck, we had a liability to Merck of approximately \$439,000 based, primarily, on Merck’s assertions regarding recoupments related to prior returns and rebates. In the first quarter of 2019, net royalties from PegIntron were negative \$51,000 due to returns and rebates exceeding the amount of royalties earned. In the second, third and fourth quarters of 2019, net royalty revenues from sales of PegIntron were \$142,000, \$2,000 and \$22,000, respectively. As such, as asserted by Merck, the Company’s liability to Merck was \$324,000 at December 31, 2019, as discussed in Note 4 to the Consolidated Financial Statements. We believe that we will receive minimal additional royalties from Merck and may be charged with additional chargebacks from returns and rebates in amounts that, based on current estimates, are not expected to be material.

In April 2013, we announced that we intended to distribute excess cash, expected to arise from royalty revenues, in the form of periodic dividends to stockholders. Since that time, we have paid out an aggregate of approximately \$149 million in dividends (including approximately \$8.0 million in 2019) to our shareholders. See Note 6 to our Consolidated Financial Statements.

On February 4, 2016, our Board of Directors (the “Board”) adopted a Plan of Liquidation and Dissolution (the “Plan of Liquidation and Dissolution”), the implementation of which has been postponed. (See Note 14 to the Consolidated Financial Statements.)

We have a marketing agreement with Micromet AG (“Micromet”), now part of Amgen, Inc. (the “Micromet Marketing Agreement”), that was entered into in 2004, under which Micromet is the exclusive marketer of the parties’ combined intellectual property portfolio in the field of single-chain antibody technology. Under the Micromet Marketing Agreement, the parties agreed to share, on an equal basis, in any licensing fees, milestone payments and royalty revenue received by Micromet in connection with any licenses of the patents within the portfolio by Micromet to any third party during the term of the collaboration. To our knowledge, Micromet has a license agreement with Viventia Biotech (Barbados) Inc. (“Viventia”), now part of Sesen Bio, Inc. (“Sesen”) that was entered into in 2005, under which Micromet granted Viventia nonexclusive rights, with certain sublicense rights, for know-how and patents allowing exploitation of certain single chain antibody products, which patents cover some key aspects of Vicinium, one of Sesen’s drug candidates that is in Phase 3 clinical trials being evaluated for the treatment of patients with non-muscle invasive bladder cancer. To our knowledge, Micromet is entitled to receive (i) certain milestone payments with respect to the filing of a new drug application (“NDA”) for Vicinium with the FDA or the filing of a marketing approval application for Vicinium with the EMEA; (ii) certain milestone payments with respect to the first commercial sale of Vicinium in the U.S. or Europe and (iii) certain royalties on net sales for ten years from the first commercial sale of Vicinium. Pursuant to the Micromet Marketing Agreement, we would be entitled to a 50% share of these milestone payments and royalties received by Micromet. Due to the challenges associated with developing and obtaining approval for drug products, there is substantial uncertainty whether any of these milestones will be achieved. We also have no control over the time, resources and effort that Sesen may devote to its programs and limited access to information regarding or resulting from such programs. Accordingly, there can be no assurance that we will receive any of the milestone or royalty payments under the Micromet Marketing Agreement. We will not recognize revenue until all revenue recognition requirements are met.

We maintain our principal executive offices at 20 Commerce Drive, Suite 135, Cranford, New Jersey, 07016 through a lease agreement for space and services with Regus Management Group, LLC (“Regus”) and also have an office facility at 3556 Main Street, Manchester, VT, 05225 pursuant to an office rental agreement with Equinox Junior, LLC (“Equinox”). (See Note 13 to the Consolidated Financial Statements.)

### ***Plan of Dissolution***

On February 4, 2016, our Board adopted the Plan of Liquidation and Dissolution pursuant to which we would, subject to obtaining requisite stockholder approval, be liquidated and dissolved in accordance with Sections 280 and 281(a) of the General Corporation Law of the State of Delaware. In approving the Plan of Liquidation and Dissolution, our Board had considered, among other factors, our ability to obtain no-action relief from the Securities and Exchange Commission (the "SEC") to suspend certain of our reporting obligations under the Securities Exchange Act of 1934, as amended, and the anticipated cost savings if such relief is granted by the SEC. Upon further review, our Board determined that it would be fair, advisable and in the best interests of the Company and its stockholders to postpone seeking stockholder approval of the Plan of Liquidation and Dissolution until a later time to be determined by our Board.

From time to time, our Board reviews our status and prospects in deciding on the timing of our dissolution and liquidation pursuant to the Plan of Liquidation and Dissolution. If our Board determines to seek stockholder approval of such plan and such plan is approved by our stockholders and implemented by us, it is expected that our corporate existence will continue for the purpose of winding up our business and affairs for at least three years. We have forecasted minimal or no royalty or milestone revenues for the foreseeable future. In light of the uncertainty as to whether any of the milestones under the Micromet Marketing Agreement would be achieved, this forecast assumes that we would not receive any milestone or royalty payments under the Micromet Marketing Agreement.

### **ROYALTIES**

Until recently, we received royalty revenues from existing licensing arrangements with Merck, primarily related to sales of two marketed drug products, namely, PegIntron<sup>®</sup> and Sylatron<sup>®</sup>. Until 2017, in recent years, royalty revenues from Merck were our primary source of revenues. In 2018, we earned a \$7.0 million milestone payment from Servier in connection with its receipt of FDA approval for ASPARLAS, also known as SC Oncaspar. In 2017, we earned \$7.0 million in royalties from Nektar in connection with our entering into the Nektar Second Amendment. Royalty revenues from sales of PegIntron accounted for approximately 55% and (2)% of our total revenues in each of the years ended December 31, 2019 and 2018, respectively, net of adjustments for Merck's recoupment of previously overpaid royalties. Our right to receive royalties on U.S. and European sales of PegIntron expired in 2016 and 2018, respectively, and will expire in Malaysia in 2020, Japan in 2021 and Chile in 2024. In October 2019, Merck informed us that due to lack of PegIntron sales, they do not expect that we will earn any future royalties.

We out-licensed our proprietary PEGylation and single-chain antibody, or SCA, technologies on our own and through agreements with Nektar and Micromet AG ("Micromet"). Micromet was acquired by Amgen in 2012. Under our Cross-License and Option Agreement with Nektar, Nektar had the lead role in granting sublicenses for certain of our PEGylation patents and we received royalties on sales of any approved product for which a sublicense had been granted. Pursuant to the Nektar Second Amendment, we are no longer entitled to any royalties or immunity fees from Nektar under the Nektar License Agreement.

## **PATENTS AND INTELLECTUAL PROPERTY RIGHTS**

We have a portfolio of issued U.S. patents, many of which have foreign counterparts. Of the patents owned or exclusively licensed by us, one relates to PegIntron. The patent related to PegIntron (peginterferon alfa-2b) expired in the U.S. in 2016 and expired outside of the U.S. in 2018 (including any patent term extensions), except for Japan, where the patent was extended until 2021 and Malaysia and Chile, where the patent expires in 2020 and 2024, respectively. Although we believe that our patents provide certain protection from competition and we may be entitled to potential royalty rights and/or milestone payments, we cannot assure you that such patents will be of substantial protection or commercial benefit to us, will afford us adequate protection from competing products, or will not be challenged or declared invalid. In addition, we cannot assure you that additional U.S. patents or foreign patent equivalents will be issued to us.

Patents for individual products extend for varying periods according to the date of patent filing or grant and the legal term of patents in the various countries where patent protection is obtained. Many of our patents have expired or are nearing the end of their patent protection period. The actual protection afforded by a patent, which can vary from country to country, depends upon the type of patent, the scope of its coverage and the availability of legal remedies in the country.

## **EMPLOYEES AND EXECUTIVE OFFICERS**

We currently have no employees. Our executive officers provide services to us on a consulting basis.

### **Item 1A. Risk Factors**

Throughout this Annual Report on Form 10-K, we have made forward-looking statements in an attempt to better enable the reader to understand our future prospects and make informed judgments. By their nature, forward-looking statements are subject to numerous factors that may influence outcomes or even prevent their eventual realization. Such factors may be external to the Company and entirely outside of our control.

We cannot guarantee that our assumptions and expectations will be correct. Failure of events to be achieved or of certain underlying assumptions to prove accurate could cause actual results to vary materially from past results and those anticipated or projected. We do not intend to update forward-looking statements.

Certain risks and uncertainties are discussed below. However, it is not possible to predict or identify all such factors. Accordingly, you should not consider this recitation to be complete.



### **Risks Relating to the Company and its Operations**

**Our sources of revenue are limited and we expect to incur losses for the foreseeable future; unanticipated liabilities and expenses could adversely affect our ability to continue operations or make expected distributions.**

We have incurred losses in the current period and have limited sources of revenues. We have been informed by Merck that there will likely be no or minimal additional sales of PegIntron and we would likely receive no further royalties, although we may remain potentially liable to Merck for product returns and rebates. Based on current estimates, we do not expect any liability for those returns and rebates to be material. Moreover, our right to receive royalty revenues from other products is limited and we currently do not intend to acquire new sources of royalty revenues. For those remaining existing or potential sources of royalty revenue, our licensees may be unable to maintain regulatory approvals for currently licensed products or obtain regulatory approvals for new products. Safety issues could also result in the failure to maintain regulatory approvals or decrease revenues.

While we have substantially reduced our operating expenses in anticipation of the decline in revenues – ceasing our research and development activities, eliminating our workforce in favor of independent contractors, and discontinuing our significant lease commitments – we may incur unanticipated liabilities or expenses, including expenses to defend unasserted product liability claims or greater than expected liabilities for PegIntron. Any such expenses or liabilities could impact the availability of assets that we expect to use to fund future operations or adversely affect our ability to pay dividends or make distributions to shareholders upon a liquidation of the Company.

**We have outsourced all corporate functions, which makes us more dependent on third parties to perform these corporate functions.**

We have outsourced all corporate functions, which makes us more dependent on third parties for the performance of these functions. To the extent that we are unable to effectively reallocate employee responsibilities, retain key officers as consultants, maintain effective internal control over financial reporting and effective disclosure controls and procedures, establish and maintain agreements with competent third-party contractors on terms that are acceptable to us, or effectively manage the work performed by any retained third-party contractors, our ability to manage the operations and planned liquidation of our business effectively could be compromised.

### **Risks Relating to the Proposed Dissolution and Liquidation**

**The proposed dissolution and liquidation of the Company may not be completed in a timely manner or at all.**

On February 4, 2016, our Board adopted a Plan of Liquidation and Dissolution, pursuant to which we would, subject to obtaining requisite stockholder approval, be liquidated and dissolved in accordance with Sections 280 and 281(a) of the General Corporation Law of the State of Delaware. In approving the Plan of Liquidation and Dissolution, our Board had considered, among other factors, our ability to obtain no-action relief from the SEC to suspend certain of our reporting obligations under the Securities Exchange Act of 1934, as amended, and the anticipated cost savings if such relief is granted by the SEC. After further consideration, our Board determined that it would be fair, advisable and in the best interests of the Company and its stockholders to postpone seeking stockholder approval of the Plan of Liquidation and Dissolution until a later time to be determined by our Board.

From time to time, our Board reviews our status and prospects in deciding on the timing of our dissolution and liquidation pursuant to the Plan of Liquidation and Dissolution. If our Board determines to seek stockholder approval of such plan and such plan is approved by our stockholders and implemented by us, it is expected that our corporate existence will continue for the purpose of winding up our business and affairs for at least three years. We have forecasted minimal or no royalty or milestone revenues for the foreseeable future. In light of the uncertainty as to whether any of the milestones under the Micromet Marketing Agreement would be achieved, this forecast assumes that we would not receive any milestone or royalty payments under the Micromet Marketing Agreement.

**The amount we distribute to our stockholders as liquidating distributions, if any, pursuant to the Plan of Liquidation and Dissolution may be substantially less than estimated.**

At present, we cannot determine with certainty the amount of any liquidating distribution to our stockholders if the Plan of Liquidation and Dissolution is implemented. The amount of cash ultimately distributed to our stockholders in any liquidating distribution pursuant to the Plan of Liquidation and Dissolution depends on, among other things, the amount of our liabilities, obligations and expenses and claims against us, and the amount of the reserves that we establish during the liquidation process. Estimates of these amounts may be inaccurate. Factors that could impact these estimates include the following: (i) if any of the estimates regarding the Plan of Liquidation and Dissolution, including the expenses to satisfy outstanding obligations, liabilities and claims during the liquidation process, are inaccurate, (ii) if litigation is brought against us or our directors and officers, if unforeseen claims are asserted against us, we will have to defend or resolve such claims or establish a reasonable reserve before making distributions to our stockholders, (iii) if the estimates regarding the expenses to be incurred in the liquidation process, including expenses of personnel required and other operating expenses (including legal, accounting and other professional fees) necessary to dissolve and liquidate the Company, are inaccurate and (iv) if we continue to incur significant expenses related to ongoing reporting obligations.

**We may not realize our deferred income tax assets.**

The ultimate realization of our deferred income tax assets is dependent upon generating future taxable income, executing tax planning strategies, and reversals of existing taxable temporary differences. We have recorded a full valuation allowance against our deferred income tax assets. The valuation allowance may fluctuate as conditions change. Our ability to utilize net operating loss (“NOL”) carryforwards to offset our future taxable income and/or to recover previously paid taxes would be limited if we were to undergo an “ownership change” within the meaning of Section 382 of the Internal Revenue Code (the “IRC”). In general, an “ownership change” occurs whenever the percentage of the stock of a corporation owned by “5-percent shareholders” (within the meaning of Section 382 of the IRC) increases by more than 50 percentage points over the lowest percentage of the stock of such corporation owned by such “5-percent shareholders” at any time over the testing period.

An ownership change under Section 382 of the IRC would establish an annual limitation to the amount of NOL carryforwards we could utilize to offset our taxable income in any single year. The application of these limitations might prevent full utilization of the deferred tax assets attributable to our NOL carryforwards. There can be no assurance that we will not undergo an ownership change within the meaning of Section 382. See Note 10 to Consolidated Financial Statements, included in Item 8 in this document.

#### **Risks Relating to Our Common Stock**

**The price of our common stock has been volatile and may decline significantly as we wind down our business operations.**

Historically, the market price of our common stock has fluctuated over a wide range for a variety of reasons, including company specific factors and global and industry-wide conditions and events. In the future, the value of our common stock may be impacted by our decision to discontinue research and development activities, our declining royalty revenues, our ability to monetize our remaining assets, including our NOLs, and any unexpected liabilities or expenses that impact our continued operations or ability to pay dividends or make distributions to our shareholders.

**Our common stock is quoted on the OTCQX market of the OTC Markets Group, Inc., which has a very limited trading market and, therefore, market liquidity for our common stock is low and our stockholders’ ability to sell their shares of our common stock may be limited.**

Our common stock is quoted on the OTCQX market of the OTC Markets Group, Inc. and the quotation of our common stock on the OTCQX market does not assure that a liquid trading market exists or will develop. Stocks traded on the OTCQX market generally have very limited trading volume and exhibit a wider spread between the bid/ask quotations than stocks traded on national exchanges. Moreover, a significant number of institutional investors have investment policies that prohibit them from trading in stocks on the OTCQX marketplace. As a result, investors may find it difficult to dispose of, or to obtain accurate quotations of the price of, our common stock. This significantly limits the liquidity of our common stock and may adversely affect the market price of our common stock.

We do not currently, and are not expected in the future to, meet the listing standards of any national exchange. We presently anticipate that our common stock will continue to be quoted on the OTCQX market. As a result, investors must bear the economic risk of holding their shares of our common stock for an indefinite period of time. In the future, our common stock could become subject to “penny stock” rules which impose additional disclosure requirements on broker-dealers and could further negatively impact market liquidity for our common stock and our stockholders’ ability to sell their shares of our common stock.

**The declaration of dividends is within the discretion of our Board, subject to any applicable limitations under Delaware corporate law. Our ability to pay dividends in the future depends on, among other things, our declining royalty revenues and our ability to manage expenses, including costs relating to our ongoing operations.**

In April 2013, we announced that our Board intends to distribute excess cash, expected to arise from ongoing royalty revenues, in the form of periodic dividends to our stockholders. The declaration of dividends is within the discretion of our Board, subject to any applicable limitations under Delaware corporate law, and, therefore, our Board could decide in the future not to declare dividends. In addition, our ability to pay dividends in the future depends on, among other things, our future revenues from existing and any future royalties and/or milestone payments and our ability to manage expenses, including costs relating to our ongoing operations. Our future revenues from existing royalties have decreased sharply over the last several years and are expected to decline and eventually cease altogether due to eventual expirations over time of our right to receive royalties and milestones under the terms of our existing licensing arrangements. Therefore, we expect little or no future royalties from existing products for which we have the right to receive royalties. There is no assurance that we will have sufficient royalty or milestone revenues to be able to pay dividends in the future. Moreover, if we file a Plan of Liquidation and Dissolution, the applicable Delaware court may impose limitations on our ability to declare dividends prior to the final dissolution of the Company. Our inability to pay dividends could cause the price of our common stock to decline significantly.

**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.**

Provisions of our certificate of incorporation and bylaws, as well as provisions of Delaware corporate law, could make it more difficult for a third party to acquire us, even though such acquisitions may be beneficial to our stockholders. These anti-takeover provisions include:

- lack of a provision for cumulative voting in the election of directors;
- the ability of our board to authorize the issuance of “blank check” preferred stock to increase the number of outstanding shares and thwart a takeover attempt;
- advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- limitations on who may call a special meeting of stockholders.

The provisions described above and provisions of Delaware corporate law relating to business combinations with interested stockholders may discourage, delay or prevent a third party from acquiring us. These provisions may also discourage, delay or prevent a third party from acquiring a large portion of our securities, or initiating a tender offer, even if our stockholders might receive a premium for their shares in the acquisition over the then current market price.

Our previous Section 382 rights plan expired on April 30, 2017 and has not been replaced.

**Item 1B. Unresolved Staff Comments**

Not applicable.

**Item 2. Properties**

None.

### Item 3. Legal Proceedings

From time to time, we are engaged in litigation arising in the ordinary course of our business. There are currently no pending material litigation to which we are a party or to which any of our property is subject.

### Item 4. Mine Safety Disclosures

Not applicable.

## PART II.

### Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

#### Market Information

Since August 9, 2016, our common stock has been quoted for trading on the OTCQX market of the OTC Markets Group, Inc. under the trading symbol “ENZN.”

The following table sets forth, for the periods indicated, the high and low sales prices for our common stock as reported on the OTC Markets. This information reflects inter-dealer prices, without retail mark-up, markdown or commission and may not represent actual transactions.

Quarter Ended	High	Low
December 31, 2019	\$ 0.30	\$ 0.17
September 30, 2019	\$ 0.31	\$ 0.23
June 30, 2019	\$ 0.27	\$ 0.22
March 31, 2019	\$ 0.29	\$ 0.19
December 31, 2018	\$ 0.28	\$ 0.20
September 30, 2018	\$ 0.28	\$ 0.24
June 30, 2018	\$ 0.28	\$ 0.26
March 31, 2018	\$ 0.30	\$ 0.21

#### Holdings

As of February 7, 2020, there were 806 holders of record of our common stock, which does not reflect persons or entities that hold the common stock in nominee or “street” name through various brokerage

#### Dividends

In April 2013, we announced that our Board intends to distribute excess cash, expected to arise from ongoing royalty revenues, in the form of periodic dividends to our stockholders. The declaration of dividends is within the discretion of our Board, subject to any applicable limitations under Delaware corporate law, and therefore our Board could decide in the future not to declare dividends. In addition, our ability to pay dividends in the future depends on, among other things, our future revenues from existing royalties and/or milestone payments and our ability to manage expenses, including costs relating to our ongoing operations.

#### Repurchase of Equity Securities

Not applicable.

### Item 6. Selected Financial Data

As a smaller reporting company, we are not required to provide the information required by this item.

## Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read together with our consolidated financial statements and notes to those statements included elsewhere in this Annual Report on Form 10-K.

### Forward-Looking Information and Factors That May Affect Future Results

The following discussion contains forward-looking statements within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements contained in the following discussion, 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 “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 the risks and uncertainties set forth in Item 1A. Risk Factors. These risks and uncertainties 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.

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.

### Overview

Prior to 2017, the primary source of our royalty revenues was derived from sales of PegIntron, which is marketed by Merck & Co., Inc. (“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 55% and (2)% of our total revenues for the years ended December 31, 2019 and 2018, respectively, net of the effects of Merck’s adjustments for recoupment of previously overpaid royalties.

At December 31, 2018, according to Merck, we had a liability to Merck of approximately \$439,000 based, primarily, on Merck’s assertions regarding recoupments related to prior returns and rebates. In the first quarter of 2019, net royalties from PegIntron were negative \$51,000 due to returns and rebates exceeding the amount of royalties earned. In the second, third and fourth quarters of 2019, net royalty revenues from sales of PegIntron were \$142,000, \$2,000 and \$22,000, respectively. As such, as asserted by Merck, the Company’s liability to Merck was \$324,000 at December 31, 2019, as discussed in Note 4 to the Consolidated Financial Statements.

During the second quarter of 2019, we received a one-time, non-refundable, payment of approximately \$66,000 from Novartis Pharma AG in payment of a worldwide, royalty free non-exclusive license to certain Canadian patents.

During the fourth quarter of 2019, we received a license maintenance fee of approximately \$27,000 from Amgen, Inc. in payment of a worldwide, royalty-free non-exclusive right to license Viventia. The fee represents half of the amount paid by Viventia on an annual basis for the continued right to license Viventia.

In April 2013, we announced that we intended to distribute excess cash, expected to arise from royalty and milestone revenues, in the form of periodic dividends to stockholders. In 2019, we distributed to our shareholders cash dividends in the aggregate amount of approximately \$8.0 million. (See Note 6 to our Consolidated Financial Statements.)

On February 4, 2016, our Board adopted a Plan of Liquidation and Dissolution (the “Plan of Liquidation and Dissolution”), the implementation of which has been postponed. (See Note 14 to our Consolidated Financial Statements.)

In 2018, the primary source of our royalty revenues was related to a milestone payment of \$7.0 million due from Servier. On January 30, 2019, we entered into a letter agreement with Servier, in connection with the Asset Purchase Agreement, by and between Klee Pharmaceuticals, Inc., Defiante and Sigma-Tau, on the one hand, and the Company, on the other hand. Under the letter agreement, Servier, as successor-in-interest to Defiante, confirmed its obligation to pay us a \$7.0 million milestone payment related to SC Oncaspar as a result of the FDA’s December 20, 2018 approval of calaspargase pegol – mknl (brand name ASPARLAS™) as a component of a multi-agent chemotherapeutic regimen for the treatment of acute lymphoblastic leukemia in pediatric and young adult patients age 1 month to 21 years. In addition, under the letter agreement, we agreed to waive Servier’s obligations to pursue the development of SC Oncaspar in Europe and the approval of SC Oncaspar by the EMEA under the Asset Purchase Agreement, provided that we are not waiving Servier’s obligation to make any applicable milestone payment to us upon EMEA approval, if any, of SC Oncaspar. Servier was required to make the \$7.0 million milestone payment to us within three business days following the parties’ completion of procedures for claiming benefits under the double tax treaty between the United States and the United Kingdom. We recorded the \$7.0 million milestone revenue in 2018 and a current milestone receivable at December 31, 2018. The \$7.0 million payment was received in July 2019.

We may be entitled to certain potential future milestone payments contingent upon the achievement of certain regulatory approval-related milestones by third-party licensees. There can be no assurance that we will receive any milestone payments resulting from our agreements with any of our third-party licensees. We will not recognize revenue from any of our third-party licensees until all revenue recognition requirements are met.

Commencing on March 1, 2016, we changed the location of our principal executive offices to 20 Commerce Drive, Suite 135, Cranford, New Jersey, 07016. We entered into an office service agreement with Regus for use of office space at this location effective March 1, 2016. Under the agreement, in exchange for our right to use the office space at this location, we were required to pay Regus an initial service retainer of \$2,418 and thereafter pay Regus a monthly fee of \$1,209 until February 28, 2017. This agreement was renewed for two one-year extensions, until February 28, 2019, for a monthly fee of \$1,259. In June 2018, we and Regus agreed to end the lease on August 31, 2018, and replace it with an updated office service agreement. We entered into an office service agreement with Regus for mailbox, plus telephone answering and virtual office services effective September 1, 2018. Under the agreement, in exchange for the services provided by Regus, we were required to pay Regus a monthly fee of \$259 until August 31, 2020.

Effective July 1, 2018, we entered into an office rental agreement with Equinox for use of office space at 3556 Main Street, Manchester, VT, 05225. Under this agreement, in exchange for our right to use the office space at this location, we are required to pay Equinox a monthly fee of \$729 until June 30, 2020.

## Plan of Dissolution

On February 4, 2016, our Board adopted a Plan of Liquidation and Dissolution, pursuant to which we would, subject to obtaining requisite stockholder approval, be liquidated and dissolved in accordance with Sections 280 and 281(a) of the General Corporation Law of the State of Delaware. In approving the Plan of Liquidation and Dissolution, our Board had considered, among other factors, our ability to obtain no-action relief from the Securities and Exchange Commission (the "SEC") to suspend certain of our reporting obligations under the Securities Exchange Act of 1934, as amended, and the anticipated cost savings if such relief is granted by the SEC. Upon further review, our Board determined that it would be fair, advisable and in the best interests of the Company and its stockholders to postpone seeking stockholder approval of the Plan of Liquidation and Dissolution until a later time to be determined by our Board.

From time to time, our Board reviews our status and prospects in deciding on the timing of our dissolution and liquidation pursuant to the Plan of Liquidation and Dissolution. If our Board determines to seek stockholder approval of such plan and such plan is approved by our stockholders and implemented by us, it is expected that our corporate existence will continue for the purpose of winding up our business and affairs for at least three years. We have forecasted minimal or no royalty or milestone revenues for the foreseeable future. In light of the uncertainty as to whether any of the milestones under the Micromet Marketing Agreement would be achieved, this forecast assumes that we would not receive any milestone or royalty payments under the Micromet Marketing Agreement.

### Results of Operations (in millions of dollars):

	For the Year Ended December 31,	
	2019	2018
Revenues:		
Royalties and milestones, net	\$ 0.2	\$ 6.9
Total revenues	0.2	6.9
Operating expenses:		
General and administrative	1.2	1.1
Operating (loss) income	(1.0)	5.8
Income tax expense	-	-
Net (loss) income	\$ (1.0)	\$ 5.8

### Overview

The following table summarizes our royalties earned in 2019 and 2018:

### Royalties and Milestones Revenues (in millions of dollars):

	For the Year Ended December 31,		
	2019	% Change	2018
Royalties and milestones revenues	0.2	(96)	7.2
Less: Adjustment by Merck for returns and rebates	-	100	(0.3)
	\$ 0.2	(97)	\$ 6.9

Until 2017, in recent years, our royalty revenues had been derived, primarily, from sales of PegIntron. In 2019 and 2018, we earned total net royalties and milestone revenues of approximately \$0.2 million and \$6.9 million, respectively. The revenues in 2019 were primarily from royalty revenues from Merck related to sales of PegIntron. The revenues in 2018 resulted from \$7.0 million earned pursuant to a milestone reached by Servier. Royalty revenues from sales of PegIntron accounted for approximately 55% and (2)% of our total royalty revenues in 2019 and 2018, respectively. Our right to receive royalties on U.S. and European sales of PegIntron expired in 2016 and 2018, respectively, and will expire in Malaysia in 2020, Japan in 2021 and Chile in 2024.



At December 31, 2018, according to Merck, we had a liability to Merck of approximately \$439,000 based, primarily, on Merck's assertions regarding recoupments related to prior returns and rebates. In the first quarter of 2019, net royalties from PegIntron were negative \$51,000 due to returns and rebates exceeding the amount of royalties earned. In the second, third, and fourth quarters of 2019, net royalty revenues from sales of PegIntron were \$142,000, \$2,000 and \$22,000, respectively. As such, as asserted by Merck, the Company's liability to Merck was \$324,000 at December 31, 2019, as discussed in Note 4 to the Consolidated Financial Statements.

Net royalty revenues in 2018 were a negative \$82,000 due primarily to Merck's calculation of returns and rebates exceeding the amount of royalties earned throughout the year. In 2019, net royalty revenues were approximately \$114,000. All such royalty revenues for 2019 and 2018 were related to net sales of PegIntron. We believe that we will receive little or no additional royalties from Merck and may incur additional chargebacks from returns and rebates in amounts that, based on current estimates, are not believed to be material. As reported by Merck, in recent years, sales declines were driven by lower volumes in nearly all regions, as the availability of new therapeutic options resulted in continued loss of market share.

Our rights to receive royalties from sales of PegIntron expired in the U.S. in 2016, expired in Europe in 2018 and will expire in Malaysia in 2020, Japan in 2021 and Chile in 2024.

**General and Administrative Expenses** (in millions of dollars):

	<b>For the Year Ended December 31,</b>		
	<b>2019</b>	<b>% Change</b>	<b>2018</b>
General and administrative expenses	\$ 1.2	9	\$ 1.1

For the year ended December 31, 2019, general and administrative expenses were \$1.2 million, up approximately \$100,000 (9%) from \$1.1 million in the prior year. The change in 2019 from 2018 was primarily from an increase in accounting, consulting, and contracted services that were substantially attributable to a study of potential revenues from Sesen, as partially offset by a decrease in legal fees and insurance expenses.

In 2019 and 2018, general and administrative expenses consist primarily of consulting fees for executive services, outside professional services for accounting, audit, tax, legal, financing activities and patent filing fees.

**Income Taxes**

As a result of royalty and milestone income for the year ended December 31, 2019, we generated approximately \$977,000 in taxable loss before utilization of net operating loss carryforwards. We utilized none of our net operating loss carryforwards due to the taxable loss position. Due to the valuation allowance placed on our deferred tax assets, the deferred tax expense resulting from the usage and/or expiration of deferred tax assets was offset by a corresponding deferred tax benefit from a reduction in valuation allowance, and we recorded no deferred tax expense during the year ended December 31, 2019. We are projecting future tax losses and have recorded a full valuation allowance against our remaining deferred tax assets as of December 31, 2019, as we believe it is more likely than not that these assets will not be realized.

These projections and beliefs are based upon a variety of estimates and numerous assumptions made by our management with respect to, among other things, forecasted sales of the drug products for which we have the right to receive royalties and other matters, many of which are difficult to predict, are subject to significant uncertainties and are beyond our control. As a result, there can be no assurance that the estimates and assumptions upon which these projections and beliefs are based will prove accurate, that the projected results will be realized or that the actual results will not be substantially higher or lower than projected.

## **Liquidity and Capital Resources**

Our current sources of liquidity are (i) our existing cash on hand and (ii) anticipated tax refunds. While we no longer have any research and development activities, we continue to retain rights to receive royalties and milestone payments from existing licensing arrangements with other companies. We believe that our existing cash on hand and anticipated tax refunds will be sufficient to fund our operations, at least, through February 24, 2021. However, our future royalty revenues are expected to be minimal over the next several years.

Cash provided by operating activities represents net loss, as adjusted for certain non-cash items including the effect of changes in operating assets and liabilities. Cash provided by operating activities during 2019 was \$6.9 million, as compared to cash used in operating activities of \$1.0 million in 2018. The increase was due, primarily, to the collection of the \$7.0 million milestone receivable (due from Servier) in July 2019 and collection of refundable tax credits of approximately \$1.0 million, and partially offset by net loss of approximately \$1.0 million and a decrease in accounts payable of approximately \$0.1 million.

Cash used in financing activities was approximately \$8.0 million in 2019, attributable entirely to payments of dividends on our common stock in March and October 2019. There was no cash used in or provided by financing activities in 2018.

The net effect of the foregoing was a decrease of cash of approximately \$1.1 million, from \$6.5 million at December 31, 2018 to \$5.4 million at December 31, 2019.

## **Off-Balance Sheet Arrangements**

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, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow limited purposes. As of December 31, 2019, we were not involved in any off-balance sheet special purpose entity transactions.

## **Critical Accounting Policies and Estimates**

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

Our consolidated financial statements are presented in accordance with accounting principles that are generally accepted in the U.S. (“U.S. GAAP”). All applicable U.S. GAAP accounting standards effective as of December 31, 2019 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 for the sale of our former specialty pharmaceutical business are recognized as income when the milestone has been achieved and collection is assured, such payments are non-refundable and no further effort is required on our part or the other party to complete the earning process.

#### *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 net deferred tax assets is provided for when it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2019, 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, 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 that we will be able to sustain our position.

## **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

As a smaller reporting company, we are not required to provide the information required by this item.

## **Item 8. Financial Statements and Supplementary Data**

Financial statements and notes thereto appear on pages F-1 to F-17 of this Annual Report on Form 10-K.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### **(a) 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 December 31, 2019. 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. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2019.

### **(b) 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 December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **(c) Management’s Report on Internal Control over Financial Reporting**

It is the responsibility of the management of Enzon Pharmaceuticals, Inc. and Subsidiaries to establish and maintain effective internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Internal control over financial reporting is a process designed by, or under the supervision of our Principal Executive Officer and Principal Financial Officer 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, and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Enzon; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of Enzon are being made only in accordance with authorizations of management and directors of Enzon; and (iii) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of Enzon’s assets that could have a material effect on the consolidated financial statements of Enzon.

Under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in “Internal Control—Integrated Framework - 2013” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Our management concluded that as of December 31, 2019 our internal control over financial reporting was effective based on those criteria.

**(d) Limitations on the Effectiveness of Controls**

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

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

February 19, 2020

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

February 19, 2020

**Item 9B. Other Information**

None.

**PART III.****Item 10. Directors, Executive Officers and Corporate Governance**

If we file a definitive proxy statement relating to our 2020 Annual Meeting of Stockholders with the SEC not later than 120 days after December 31, 2019, the information required by this Item 10 is incorporated herein by reference to such definitive proxy statement. However, if such definitive proxy statement is not filed with the SEC in such 120-day period, we will file an amendment to this Annual Report on Form 10-K with the SEC not later than 120 days after December 31, 2019 to include the information required by this Item 10.

**Item 11. Executive Compensation**

If we file a definitive proxy statement relating to our 2020 Annual Meeting of Stockholders with the SEC not later than 120 days after December 31, 2019, the information required by this Item 11 is incorporated herein by reference to such definitive proxy statement. However, if such definitive proxy statement is not filed with the SEC in such 120-day period, we will file an amendment to this Annual Report on Form 10-K with the SEC not later than 120 days after December 31, 2019 to include the information required by this Item 11.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

If we file a definitive proxy statement relating to our 2020 Annual Meeting of Stockholders with the SEC not later than 120 days after December 31, 2019, the information required by this Item 12 is incorporated herein by reference to such definitive proxy statement. However, if such definitive proxy statement is not filed with the SEC in such 120-day period, we will file an amendment to this Annual Report on Form 10-K with the SEC not later than 120 days after December 31, 2019 to include the information required by this Item 12.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

If we file a definitive proxy statement relating to our 2020 Annual Meeting of Stockholders with the SEC not later than 120 days after December 31, 2019, the information required by this Item 13 is incorporated herein by reference to such definitive proxy statement. However, if such definitive proxy statement is not filed with the SEC in such 120-day period, we will file an amendment to this Annual Report on Form 10-K with the SEC not later than 120 days after December 31, 2019 to include the information required by this Item 13.

**Item 14. Principal Accounting Fees and Services**

If we file a definitive proxy statement relating to our 2020 Annual Meeting of Stockholders with the SEC not later than 120 days after December 31, 2019, the information required by this Item 14 is incorporated herein by reference to such definitive proxy statement. However, if such definitive proxy statement is not filed with the SEC in such 120-day period, we will file an amendment to this Annual Report on Form 10-K with the SEC not later than 120 days after December 31, 2019 to include the information required by this Item 14.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1), (a)(2) and (c). The response to this portion of Item 15 is submitted as a separate section of this report commencing on page F-1.

(a)(3) and (b). Exhibits (numbered in accordance with Item 601 of Regulation S-K).

<b>Exhibit Number</b>	<b>Description</b>	<b>Reference No.</b>
<a href="#">2.1</a>	<a href="#">Asset Purchase Agreement, dated as of November 9, 2009, by and between Klee Pharmaceuticals, Inc., Defiante Farmacêutica, S.A. and Sigma-Tau Finanziaria S.p.A., on the one hand, and Enzon Pharmaceuticals, Inc., on the other hand</a>	<a href="#">(9)</a>
<a href="#">2.2</a>	<a href="#">Plan of Liquidation and Dissolution of Enzon Pharmaceuticals, Inc. (adopted by the Board of Directors of Enzon Pharmaceuticals, Inc. on February 4, 2016)</a>	<a href="#">(17)</a>
<a href="#">3.1</a>	<a href="#">Amended and Restated Certificate of Incorporation dated May 18, 2006, together with that Certificate of Amendment to the Amended and Restated Certificate of Incorporation dated July 13, 2010</a>	<a href="#">(1)</a>
<a href="#">3.2</a>	<a href="#">Second Amended and Restated By-Laws effective March 11, 2011, as amended by Amendment No. 1 to the Second Amended and Restated By-Laws effective February 15, 2013</a>	<a href="#">(11)</a>
<a href="#">3.3</a>	<a href="#">Certificate of Designation of Series A Junior Participating Preferred Stock of Enzon Pharmaceuticals, Inc. filed with the Secretary of the State of Delaware on May 1, 2014</a>	<a href="#">(15)</a>
<a href="#">4.1</a>	<a href="#">Description of Registrant's Securities</a>	<a href="#">±</a>
<a href="#">10.1</a>	<a href="#">2001 Incentive Stock Plan, as amended and restated, of Enzon Pharmaceuticals, Inc.**</a>	<a href="#">(2)</a>
<a href="#">10.2</a>	<a href="#">Development, License and Supply Agreement between Enzon, Inc. (now known as Enzon Pharmaceuticals, Inc.) and Schering Corporation, dated November 14, 1990, as amended*</a>	<a href="#">(3)</a>
<a href="#">10.3</a>	<a href="#">Amended and Restated 2013 Outside Director Compensation Plan**</a>	<a href="#">(12)</a>
<a href="#">10.4</a>	<a href="#">Form of Non-Qualified Stock Option Agreement for Executive Officers under the 2001 Incentive Stock Plan**</a>	<a href="#">(5)</a>
<a href="#">10.5</a>	<a href="#">Form of Restricted Stock Award Agreement for Executive Officers under the 2001 Incentive Stock Plan**</a>	<a href="#">(5)</a>
<a href="#">10.6</a>	<a href="#">Form of Restricted Stock Unit Award Agreement for Executive Officers under the 2001 Incentive Stock Plan**</a>	<a href="#">(6)</a>
<a href="#">10.7</a>	<a href="#">Form of Restricted Stock Unit Award Agreement for Independent Directors under the 2001 Incentive Stock Plan**</a>	<a href="#">(4)</a>
<a href="#">10.8</a>	<a href="#">Form of Stock Option Award Agreement for Independent Directors under the 1987 Non-Qualified Stock Option Plan**</a>	<a href="#">(4)</a>
<a href="#">10.9</a>	<a href="#">Form of Stock Option Award Agreement for Independent Directors under the 2001 Incentive Stock Plan**</a>	<a href="#">(4)</a>
<a href="#">10.10</a>	<a href="#">Amendment to Outstanding Awards Under 2001 Incentive Stock Plan**</a>	<a href="#">(8)</a>
<a href="#">10.11</a>	<a href="#">2001 Incentive Stock Plan Non-Qualified Stock Plan Terms and Conditions**</a>	<a href="#">(8)</a>
<a href="#">10.12</a>	<a href="#">2001 Incentive Stock Plan Restricted Stock Unit Award Terms and Conditions**</a>	<a href="#">(8)</a>
<a href="#">10.13</a>	<a href="#">2001 Incentive Stock Plan Restricted Stock Award Terms and Conditions**</a>	<a href="#">(8)</a>
<a href="#">10.14</a>	<a href="#">2011 Stock Option and Incentive Plan**</a>	<a href="#">(10)</a>
<a href="#">10.15</a>	<a href="#">Form of Non-Qualified Stock Option Agreement for Company Employees under the 2011 Stock Option and Incentive Plan**</a>	<a href="#">(10)</a>
<a href="#">10.16</a>	<a href="#">Form of Non-Qualified Stock Option Agreement for Non-Employee Directors under the 2011 Stock Option and Incentive Plan**</a>	<a href="#">(10)</a>
<a href="#">10.17</a>	<a href="#">Form of Restricted Stock Unit Award Agreement for Company Employees under the 2011 Stock Option and Incentive Plan**</a>	<a href="#">(10)</a>
<a href="#">10.18</a>	<a href="#">Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the 2011 Stock Option and Incentive Plan**</a>	<a href="#">(10)</a>
<a href="#">10.19</a>	<a href="#">2007 Employee Stock Purchase Plan</a>	<a href="#">(7)</a>
<a href="#">10.20</a>	<a href="#">Independent Contractor Agreement, dated as of December 13, 2013, between Enzon Pharmaceuticals, Inc. and Richard L. Feinstein**</a>	<a href="#">(14)</a>
<a href="#">10.21</a>	<a href="#">Assignment, Assumption and Release Agreement, dated as of September 11, 2015, between Kingsbridge 2005, LLC and Enzon Pharmaceuticals, Inc.</a>	<a href="#">(16)</a>
<a href="#">10.22</a>	<a href="#">Amendment 1 to Independent Contractor Agreement, effective as of December 28, 2015, between Enzon Pharmaceuticals, Inc. and Richard L. Feinstein**</a>	<a href="#">(18)</a>



<a href="#"><u>10.23</u></a>	<a href="#"><u>Agreement, dated as of December 29, 2015, among Kingsbridge 2005, LLC, Enzon Pharmaceuticals, Inc. and Axcellerate Pharma, LLC (executed by Enzon Pharmaceuticals, Inc. on February 4, 2016)</u></a>	<a href="#"><u>(18)</u></a>
<a href="#"><u>10.24</u></a>	<a href="#"><u>Letter Agreement, dated February 4, 2016, between Kingsbridge 2005, LLC and Enzon Pharmaceuticals, Inc.</u></a>	<a href="#"><u>(18)</u></a>
<a href="#"><u>10.25</u></a>	<a href="#"><u>Separation Agreement, dated as of September 27, 2013, between Enzon Pharmaceuticals, Inc. and Andrew Rackear**</u></a>	<a href="#"><u>(13)</u></a>
<a href="#"><u>10.26</u></a>	<a href="#"><u>Amendment to Separation Agreement, dated as of January 1, 2016, between Enzon Pharmaceuticals, Inc. and Andrew Rackear**</u></a>	<a href="#"><u>(19)</u></a>
<a href="#"><u>10.27</u></a>	<a href="#"><u>Amendment 2 to Separation Agreement, dated as of March 31, 2016, between Enzon Pharmaceuticals, Inc. and Andrew Rackear**</u></a>	<a href="#"><u>(19)</u></a>
<a href="#"><u>10.28</u></a>	<a href="#"><u>Amended and Restated Exclusive IP Marketing Agreement, dated as of June 28, 2004, by and between Microment AG and Enzon Pharmaceuticals, Inc.</u></a>	<a href="#"><u>(20)</u></a>
<a href="#"><u>10.29</u></a>	<a href="#"><u>Letter Agreement, dated January 30, 2019, between Servier IP UK Limited and Enzon Pharmaceuticals, Inc.</u></a>	<a href="#"><u>(20)</u></a>
<a href="#"><u>21.1</u></a>	<a href="#"><u>Subsidiaries of Registrant</u></a>	<a href="#"><u>±</u></a>
<a href="#"><u>23.1</u></a>	<a href="#"><u>Consent of EisnerAmper LLP</u></a>	<a href="#"><u>±</u></a>
<a href="#"><u>31.1</u></a>	<a href="#"><u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	<a href="#"><u>±</u></a>
<a href="#"><u>31.2</u></a>	<a href="#"><u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	<a href="#"><u>±</u></a>
<a href="#"><u>32.1</u></a>	<a href="#"><u>Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002***</u></a>	<a href="#"><u>±</u></a>
<a href="#"><u>32.2</u></a>	<a href="#"><u>Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002***</u></a>	<a href="#"><u>±</u></a>
101	The following materials from Enzon Pharmaceuticals, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flow, and (v) Notes to Consolidated Financial Statements.	<a href="#"><u>+</u></a>

+ Filed herewith

\* Portions of this exhibit have been redacted and filed separately with the Commission pursuant to a confidential treatment request.

\*\* Management contracts or compensatory plans and arrangements required to be filed pursuant to Item 601(b)(10)(ii)(A) or (iii) of Regulation S-K.

\*\*\* These certifications are not deemed filed by the Commission and are not to be incorporated by reference in any filing the Company makes under the Securities Act of 1933 or the Securities Exchange Act of 1934, irrespective of any general incorporation language in any filings.

Referenced exhibit was previously filed with the Commission as an exhibit to the Company's filing indicated below and is incorporated herein by reference to that filing:

- (1) Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 filed August 9, 2010
- (2) Current Report on Form 8-K filed May 19, 2006
- (3) Annual Report on Form 10-K for the fiscal year ended June 30, 2002 filed on September 26, 2002
- (4) Quarterly Report on Form 10-Q for the quarter ended September 30, 2005 filed November 9, 2005
- (5) Quarterly Report on Form 10-Q for the quarter ended December 31, 2004 filed February 9, 2005
- (6) Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 filed May 10, 2005
- (7) Registration Statement on Form S-8 (File No. 333-140282) filed January 29, 2007
- (8) Annual Report on Form 10-K for the year ended December 31, 2008 filed March 9, 2009
- (9) Current Report on Form 8-K filed November 12, 2009
- (10) Registration Statement on Form S-8 (File No. 333-174099) filed May 10, 2011

- (11) Annual Report on Form 10-K for the year ended December 31, 2012 filed March 18, 2013
- (12) Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed August 6, 2013
- (13) Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 filed November 12, 2013
- (14) Annual Report on Form 10-K for the year ended December 31, 2014 filed March 14, 2014
- (15) Current Report on Form 8-K filed May 1, 2014
- (16) Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 filed November 6, 2015
- (17) Current Report on Form 8-K filed February 9, 2016
- (18) Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed March 21, 2016
- (19) Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 filed May 9, 2016
- (20) Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed on February 21, 2019

**SIGNATURES**

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

**ENZON PHARMACEUTICALS, INC.**  
(Registrant)

Dated: February 19, 2020

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

Dated: February 19, 2020

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

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

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Andrew Rackear</u> Andrew Rackear	Chief Executive Officer and Secretary (Principal Executive Officer)	February 19, 2020
<u>/s/ Richard L. Feinstein</u> Richard L. Feinstein	Vice President - Finance and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 19, 2020
<u>/s/ Jonathan Christodoro</u> Jonathan Christodoro	Chairman of the Board	February 19, 2020
<u>/s/ Odysseas Kostas</u> Odysseas Kostas	Director	February 19, 2020
<u>/s/ Jennifer McNealey</u> Jennifer McNealey	Director	February 19, 2020

ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
Enzon Pharmaceuticals, Inc. and Subsidiaries

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Enzon Pharmaceuticals, Inc. and Subsidiaries (the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2019 and 2018, and the consolidated results of their operations and their cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ EisnerAmper LLP

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We have served as the Company's auditor since 2013.

EISNERAMPER LLP  
Philadelphia, Pennsylvania  
February 19, 2020

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

	December 31,	
	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash	\$ 5,446	\$ 6,500
Milestone receivable	-	7,000
Refundable tax credits receivable, current portion	485	970
Other current assets	62	70
Total current assets	5,993	14,540
Refundable tax credits receivable, net of current portion	485	970
<b>Total assets</b>	<b>\$ 6,478</b>	<b>\$ 15,510</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 324	\$ 439
Accrued expenses and other current liabilities	99	78
Total current liabilities	423	517
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - \$0.01 par value, authorized 3,000,000 shares; no shares issued and outstanding at December 31, 2019 and 2018	-	-
Common stock - \$0.01 par value, authorized 170,000,000 shares; issued and outstanding 44,214,603 shares at December 31, 2019 and 2018	442	442
Additional paid-in capital	75,690	83,649
Accumulated deficit	(70,077)	(69,098)
Total stockholders' equity	6,055	14,993
Total liabilities and stockholders' equity	<b>\$ 6,478</b>	<b>\$ 15,510</b>

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

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

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Revenues:</b>		
Royalties and milestones, net	\$ 207	\$ 6,918
Total revenues	<u>207</u>	<u>6,918</u>
<b>Operating expenses:</b>		
General and administrative	1,180	1,063
Total operating expenses	<u>1,180</u>	<u>1,063</u>
Operating (loss) income and (loss) income before income tax expense	(973)	5,855
Income tax expense	6	6
Net (loss) income	<u>\$ (979)</u>	<u>\$ 5,849</u>
<b>(Loss) earnings per common share</b>		
Basic and diluted	<u>\$ (0.02)</u>	<u>\$ 0.13</u>
<b>Weighted average number of shares</b>		
Basic and diluted	<u>44,215</u>	<u>44,215</u>

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

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Number of Shares	Par Value			
Balance, December 31, 2017	44,215	\$ 442	\$ 83,649	\$ (74,947)	\$ 9,144
Net income	-	-	-	5,849	5,849
Balance, December 31, 2018	44,215	\$ 442	\$ 83,649	\$ (69,098)	\$ 14,993
Net loss	-	-	-	(979)	(979)
Common stock dividend	-	-	(7,959)	-	(7,959)
Balance, December 31, 2019	<u>44,215</u>	<u>\$ 442</u>	<u>\$ 75,690</u>	<u>\$ (70,077)</u>	<u>\$ 6,055</u>

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



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

	<u>Year Ended December 31,</u>	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Net (loss) income	\$ (979)	\$ 5,849
Adjustments to reconcile net (loss) income to net cash provided by (used in) operating activities:		
Changes in operating assets and liabilities:		
Decrease (increase) in milestone receivable	7,000	(7,000)
Decrease in other current assets	8	24
Decrease in refundable tax credit receivable	970	-
(Decrease) increase in accounts payable	(115)	214
Increase (decrease) in accrued expenses and other current liabilities	21	(65)
Net cash provided by (used in) operating activities	<u>6,905</u>	<u>(978)</u>
Cash flows from financing activities:		
Common stock dividends	(7,959)	-
Net cash used in financing activities	<u>(7,959)</u>	<u>-</u>
Net decrease in cash	(1,054)	(978)
Cash at beginning of year	6,500	7,478
Cash at end of year	<u>\$ 5,446</u>	<u>\$ 6,500</u>

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

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

**(1) Description of Business**

Enzon Pharmaceuticals, Inc. (together with its subsidiaries, the “Company,” “Enzon,” “we” or “us”), manages its sources of royalty revenues from existing licensing arrangements with other companies primarily related to sales of certain drug products that utilize our proprietary technology. In 2019, the primary source of the Company’s revenue was royalties. In 2018, the primary source of the Company’s royalties and milestones revenues was a milestone payment of \$7 million due from Servier IP UK Limited (“Servier”). On December 20, 2018, the Company was notified that the U.S. Food and Drug Administration (the “FDA”) approved Servier’s Biologics License Application (“BLA”) for calaspargase pegol – mknl (brand name ASPARLAS™), also known as SC Oncaspar. Pursuant to an agreement originally entered into with Sigma-Tau Finanziaria S.p.A. (“Sigma-Tau”) in November 2009, and ultimately assigned to Servier, the Company earned a milestone payment of \$7.0 million. Accordingly, the Company recorded revenue and a milestone receivable of \$7.0 million at December 31, 2018.

Prior to 2017, the Company’s primary source of royalty revenues was derived from 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. At December 31, 2018, according to Merck, the Company had a liability to Merck of approximately \$439,000 based, primarily, on Merck’s assertions regarding recoupsments related to prior returns and rebates. In the first quarter of 2019, net royalties from PegIntron were negative \$51,000 due to returns and rebates exceeding the amount of royalties earned. In the second, third and fourth quarters of 2019, net royalty revenues from sales of PegIntron were \$142,000, \$2,000 and \$22,000, respectively. As such, as asserted by Merck, the Company’s liability to Merck was \$324,000 at December 31, 2019, as discussed in Note 4 to the Consolidated Financial Statements. The Company believes that it will receive no more royalties from Merck, but may be charged with additional chargebacks from returns and rebates in amounts that, based on current estimates, are not expected to be material.

In April 2013, we announced that we intended to distribute excess cash, expected to arise from royalty and milestone revenues, in the form of periodic dividends to stockholders. See Note 6.

On February 4, 2016, the Company’s Board of Directors (the “Board”) adopted a Plan of Liquidation and Dissolution (the “Plan of Liquidation and Dissolution”), the implementation of which has been postponed. See Note 14.

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

On January 30, 2019, the Company entered into a letter agreement with Servier, a wholly owned indirect subsidiary of Les Laboratoires Servier, in connection with the asset purchase agreement dated as of November 9, 2009 (the “Asset Purchase Agreement”), by and between Klee Pharmaceuticals, Inc., Defiante Farmacêutica, S.A. (“Defiante”) and Sigma-Tau, on the one hand, and the Company, on the other hand. Under the letter agreement, Servier, as successor-in-interest to Defiante, confirmed its obligation to pay the Company a \$7.0 million milestone payment related to SC Oncaspar as a result of the FDA’s December 20, 2018 approval of calaspargase pegol – mknl (brand name ASPARLAS™) as a component of a multi-agent chemotherapeutic regimen for the treatment of acute lymphoblastic leukemia in pediatric and young adult patients age 1 month to 21 years. In addition, under the letter agreement, the Company agreed to waive Servier’s obligations to pursue the development of SC Oncaspar in Europe and the approval of SC Oncaspar by the European Medicines Agency (“EMA”) under the Asset Purchase Agreement, provided that the Company did not waive Servier’s obligation to make any applicable milestone payment to the Company upon EMA approval, if any, of SC Oncaspar. Servier was required to make the \$7.0 million milestone payment to the Company within three business days following the parties’ completion of procedures for claiming benefits under the double tax treaty between the United States and the United Kingdom. The Company recorded that amount as a current receivable at December 31, 2018. The Company received the \$7.0 million payment in July 2019.

The Company has a marketing agreement with Micromet AG (“Micromet”), now part of Amgen, Inc. (the “Micromet Marketing Agreement”), that was entered into in 2004 under which Micromet is the exclusive marketer of the parties’ combined intellectual property portfolio in the field of single-chain antibody technology. Under the Micromet Marketing Agreement, the parties agreed to share, on an equal basis, in any licensing fees, milestone payments and royalty revenue received by Micromet in connection with any licenses of the patents within the portfolio by Micromet to any third party during the term of the collaboration. To the Company’s knowledge, Micromet has a license agreement with Viventia Biotech (Barbados) Inc. (“Viventia”), now part of Sesen Bio, Inc. (“Sesen”), that was entered into in 2005, under which Micromet granted Viventia nonexclusive rights, with certain sublicense rights, for know-how and patents allowing exploitation of certain single chain antibody products, which patents cover some key aspects of Vicinium, one of Sesen’s drug candidates that is in Phase 3 clinical trials being evaluated for the treatment of patients with non-muscle invasive bladder cancer and in Phase 1 and 2 clinical trials for the treatment of head and neck cancer. To the Company’s knowledge, under the terms of this license agreement between Micromet and Viventia, Micromet is entitled to receive (i) certain milestone payments with respect to the filing of a new drug application for Vicinium with the FDA or the filing of a marketing approval application for Vicinium with the EMA; (ii) certain milestone payments with respect to the first commercial sale of Vicinium in the U.S. or Europe and (iii) certain royalties on net sales for ten years from the first commercial sale of Vicinium on a country by country basis. Pursuant to the Micromet Marketing Agreement, the Company would be entitled to a 50% share of these milestone payments and royalties received by Micromet. Due to the challenges associated with developing and obtaining approval for drug products, there is substantial uncertainty whether any of these milestones will be achieved. The Company also has no control over the time, resources and effort that Sesen may devote to its programs and limited access to information regarding or resulting from such programs. Accordingly, there can be no assurance that the Company will receive any of the milestone or royalty payments under the Micromet Marketing Agreement. The Company will not recognize revenue until all revenue recognition requirements are met.

The Company maintains its principal executive offices at 20 Commerce Drive, Suite 135, Cranford, New Jersey, 07016 through a lease agreement for space and services with Regus Management Group, LLC (“Regus”) and also has an office facility at 3556 Main Street, Manchester, VT, 05225 pursuant to an office rental agreement with Equinox Junior, LLC (“Equinox”). See Note 13.

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(2) Summary of Significant Accounting Policies**

*Principles of Consolidation*

The consolidated financial statements include the accounts of Enzon Pharmaceuticals, Inc. 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 United States of America 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. These estimates include legal and contractual contingencies and income taxes. Although management bases its estimates on historical experience, relevant current information and various other assumptions that are believed to be reasonable under the circumstances, actual results could differ from these estimates.

*Financial Instruments and Fair Value*

The carrying values of cash, milestone receivable, other current assets, accounts payable, accrued expenses and other current liabilities in the Company's consolidated balance sheets approximated their fair values at December 31, 2019 and 2018 due to their short-term nature. As of December 31, 2019, the Company held no cash equivalents or marketable securities.

*Revenue Recognition*

Royalty revenues from the Company's agreements with third parties are recognized when the Company can reasonably determine the amounts earned. In most cases, this will be upon notification from the third-party licensee, which is typically during the quarter following the quarter in which the sales occurred. The Company does not participate in the selling or marketing of products for which it receives royalties. No provision for uncollectible accounts is established upon recognition of revenues.

Contingent payments due under the asset purchase agreement for the sale of the Company's former specialty pharmaceutical business are recognized as income 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.

*Income Taxes*

Income taxes are accounted for under the asset and liability method. 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 realized. The effect of a change in tax rates or laws on deferred tax assets and liabilities is recognized in operations in the period that includes the enactment date of the rate change. A valuation allowance is established to reduce the deferred tax assets to the amounts that are more likely than not to be realized from operations.

Tax benefits of uncertain tax positions are recognized only if it is more likely than not that the Company will be able to sustain a position taken on an income tax return. The Company has no liability for uncertain tax positions. Interest and penalties, if any, related to unrecognized tax benefits, would be recognized as income tax expense.

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(3) Recent Accounting Pronouncements**

During February 2016, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842). ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the balance sheets. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. During 2018, the FASB also issued ASU No. 2018-01, Land Easement Practical Expedient, which permits an entity to elect an optional transition practical expedient to not evaluate land easements that existed or expired before the entity’s adoption of Topic 842 and that were not previously accounted for under Accounting Standards Codification 840; ASU 2018-10, Codification Improvements to Topic 842, Leases, which addresses narrow aspects of the guidance originally issued in ASU No. 2016-02; ASU 2018-11, Targeted Improvements, which provides entities with an additional (and optional) transition method whereby an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption and also provides lessors with a practical expedient, by class of underlying asset, to not separate nonlease components from the associated lease component and, instead, to account for those components as a single component; and ASU No. 2018-20, Narrow-Scope Improvements for Lessors, which addresses sales and other similar taxes collected from lessees, certain lessor costs, and the recognition of variable payments for contracts with lease and nonlease components. The Company adopted these ASUs effective January 1, 2019. Due to the nature of the Company’s lease obligations (See Note 13), adoption of the standard did not have a material effect on the Company’s consolidated financial statements.

Other recent ASU's issued by the FASB and guidance issued by the Securities and Exchange Commission did not, or are not believed by management to, have a material effect on the Company’s present or future consolidated financial statements.

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(4) Accounts Payable and Accrued Expenses**

As of December 31, 2017, according to Merck, the Company had a net liability to Merck (net of a 25% royalty interest that the Company had previously sold) aggregating approximately \$225,000. This was based on Merck's assertions regarding the net result of overpayments, rebates and returns related to prior periods sales of PegIntron. Merck expected to recoup such overpayments through reductions of future royalties earned by the Company. In January 2018, Merck paid \$88,000 to the Company, which increased the asserted liability to \$313,000. During the second quarter of 2018, Enzon earned approximately \$60,000 of royalties, which reduced the purported royalty payable to Merck to \$253,000. During the third quarter of 2018, Merck notified the Company of an additional recoupment of approximately \$280,000, resulting primarily from product rebates and returns. In the fourth quarter of 2018, Enzon earned approximately \$94,000 of royalties. Accordingly, as asserted by Merck, the liability to Merck was \$439,000 at December 31, 2018.

In the first quarter of 2019, net royalties from PegIntron were negative \$51,000 due to returns and rebates exceeding the amount of royalties earned. In the second, third and fourth quarters of 2019, net royalty revenues from sales of PegIntron were \$142,000, \$2,000 and \$22,000, respectively. As such, as asserted by Merck, the Company's liability to Merck was \$324,000 at December 31, 2019. The Company believes that it will receive no more royalties from Merck, but may be charged with additional chargebacks from returns and rebates in amounts that, based on current estimates, are not expected to be material.

Accrued expenses and other current liabilities consist of the following as of December 31, 2019 and 2018 (in thousands):

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Professional and consulting fees	\$ 81	\$ 78
Other	18	-
	<u>\$ 99</u>	<u>\$ 78</u>

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(5) Stockholders' Equity**

*Preferred Stock*

The Company has authorized 3,000,000 shares of preferred stock in one or more series of which 100,000 are designated as Series A in connection with the Section 382 Rights Plan discussed below.

*Common Stock*

As of December 31, 2019, the Company reserved 9,818,392 shares of its common stock for the non-qualified and incentive stock plans.

**(6) Cash Dividend**

On January 30, 2019, the Board declared a special cash dividend of \$0.06 per share of the Company's common stock, aggregating approximately \$2,653,000, which was paid on March 21, 2019 to stockholders of record as of the close of business on February 21, 2019. On August 22, 2019, the Board declared a special cash dividend of \$0.12 per share of the Company's common stock, aggregating approximately \$5,306,000, which was paid on October 15, 2019 to stockholders of record at the close of business on October 1, 2019. See Note 8.

**(7) Earnings (Loss) Per Common Share**

Basic earnings (loss) per common share is computed by dividing the net income (loss) by the weighted average number of shares of common stock outstanding during the period. Restricted stock awards and restricted stock units (collectively, nonvested shares) are not considered to be outstanding shares until the service or performance vesting period has been completed.

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. Because a loss was incurred in 2019, common stock equivalents would be anti-dilutive and, accordingly, were excluded from the calculation of diluted loss per common share. 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). During 2019 and 2018, there were no common stock equivalents. Earnings (loss) per common share information is as follows (in thousands, except per share amounts) for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
<b>Earnings (Loss) per Common Share – Basic and Diluted</b>		
Net (loss) income for year	\$ (979)	\$ 5,849
Weighted-average number of common shares outstanding	44,215	44,215
Basic and diluted (loss) earnings per share	\$ (0.02)	\$ 0.13

At December 31, 2019 and 2018, options for 41,787 shares were outstanding that have been excluded from the calculation of diluted weighted-average number of shares outstanding, as they would be anti-dilutive, since the respective options' strike price was greater than the market price of the respective shares.

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(8) Stock Options**

Through the Compensation Committee of the Board, the Company administers the 2011 Stock Option and Incentive Plan, which provides incentive and non-qualified stock option benefits for employees, officers, directors and independent contractors providing services to Enzon. Options granted to employees generally vest over four years from date of grant and options granted to directors vest after one year. The exercise price of the options granted must be at least 100 percent of the fair value of the Company's common stock at the time the options are granted. Options may be exercised for a period of up to ten years from the grant date. As of December 31, 2019, the 2011 plan authorized equity-based awards for 5 million common shares of which about 4.6 million shares remain available for grant, however, there will be no further grants made pursuant to those plans.

In connection with the special cash dividends that were paid on March 21, 2019 to stockholders of record as of February 21, 2019 and on October 15, 2019 to stockholders of record as of October 1, 2019 (see Note 6), the Compensation Committee of the Board approved equitable adjustments to the Company's outstanding stock options and restricted stock units.

The following summary of the activity in the Company's outstanding Stock Option Plans, includes the 2011 Stock Option and Incentive Plan, the 2001 Incentive Stock Plan, and the 1987 Non-Qualified Stock Option Plan and reflects the equitable adjustments approved by the Board (options in thousands):

	<u>Options</u>	<u>Weighted Average Exercise Price Per Option</u>	<u>Weighted Average Remaining Contractual Term (years)</u>	<u>Aggregate Intrinsic Value (\$000)</u>
Outstanding at December 31, 2019 and 2018	<u>42</u>			
December 31, 2019		\$ 2.93	\$ 1.23	\$ -
December 31, 2018		\$ 3.11	\$ 2.23	\$ -
Vested at December 31, 2019 and 2018	<u>42</u>			
December 31, 2019		\$ 2.93	\$ 1.23	\$ -
December 31, 2018		\$ 3.11	\$ 2.23	\$ -
Exercisable at December 31, 2019 and 2018	<u>42</u>			
December 31, 2019		\$ 2.93	\$ 1.23	\$ -
December 31, 2018		\$ 3.11	\$ 2.23	\$ -

As of December 31, 2019, there was no unrecognized compensation cost related to unvested options that the Company expects to recognize.

No options were granted during the years ended December 31, 2019 and 2018.

In the years ended December 31, 2019 and 2018, the Company recorded no stock-based compensation related to stock options. The Company's policy is to use newly issued shares to satisfy the exercise of stock options.

The Company received no cash from exercises of stock options in either of the years ended December 31, 2019 and 2018.

**(9) Restricted Stock Awards and Restricted Stock Units (Nonvested Shares)**

The 2011 Stock Option and Incentive Plan and, prior to that, the 2001 Incentive Stock Plan provide for the issuance of restricted stock awards and restricted stock units (collectively, nonvested shares) to employees, officers and directors. However, there will be no further grants made pursuant to those plans and, as of December 31, 2019, there were no nonvested shares outstanding.



**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(10) Income Taxes**

The components of the income tax provision are summarized as follows (in thousands):

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Current:</b>		
Federal	\$ -	\$ -
State and foreign	6	6
Total current	<u>6</u>	<u>6</u>
<b>Deferred:</b>		
Federal and state	-	-
Income tax provision	<u>\$ 6</u>	<u>\$ 6</u>

The following table represents the reconciliation between the reported income taxes and the income taxes that would be computed by applying the federal statutory rate (21% for years ended December 31, 2019 and 2018 to income before taxes (in thousands):

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
Income tax provision at federal statutory rate	\$ (204)	\$ 1,229
Add (deduct) effect of:		
State income taxes, net of federal tax	(65)	505
Expiration of federal research and development credits	416	356
Expiration of capital loss carryforwards	-	248
Change in valuation allowance	<u>(141)</u>	<u>(2,332)</u>
Income tax provision	<u>\$ 6</u>	<u>\$ 6</u>

No federal income tax expense was incurred in relation to normal operating results due to the utilization of deferred tax assets and related changes in valuation allowance.

As of December 31, 2019 and 2018, the cumulative tax effects of temporary differences that give rise to the deferred tax assets are as follows (in thousands):

	<b>December 31,</b>	<b>December 31,</b>
	<b>2019</b>	<b>2018</b>
<b>Deferred tax assets:</b>		
Federal and state net operating loss carryforward	\$ 23,030	\$ 22,755
Research and development credits carryforward	<u>15,835</u>	<u>16,252</u>
Total gross deferred tax assets	38,865	39,007
Less valuation allowance	<u>(38,865)</u>	<u>(39,007)</u>
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

ASC 740 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. For the period ended December 31, 2018, the Company believed that it was more likely than not that future taxable income would not exist to utilize some or all of their deferred tax assets. Accordingly, it recorded a valuation allowance in the amount of its total deferred tax assets for the period ended December 31, 2018. In 2019, the Company generated \$979 thousand in taxable loss before utilization of net operating loss carryforwards. The Company utilized none of the net operating loss carryforwards due to the taxable loss position. Due to the valuation allowance placed on its deferred tax assets, the deferred tax expense resulting from the usage and/or expiration of deferred tax assets was offset by a corresponding deferred tax benefit from a reduction in valuation allowance, and the Company recorded no deferred tax expense at December 31, 2019. The Company is projecting future tax losses and has recorded a full valuation allowance against the remaining deferred tax assets as of December 31, 2019, as the Company believes it is more likely than not that these assets will not be realized.

At December 31, 2019, the Company had federal net operating loss carryforwards of approximately \$101.6 million, of which approximately \$100.6 million will expire in the years 2025 through 2036, and New Jersey state net operating loss carryforwards of approximately \$23.9 million that expire in the years 2031 through 2039. Under the Act, net operating losses generated in tax years beginning after December 31, 2017 have an unlimited carryforward period, and the amount of net operating loss allowed to be utilized each year is limited to 80% of taxable income.

The Company had federal and state capital loss carryforwards of approximately \$1.2 million that expired in 2018. The Company also had federal research and development (“R&D”) credit carryforwards of approximately \$0.4 million that expired in 2019. The Company has remaining R&D credit carryforwards of approximately \$15.8 million that expire in the years 2020 through 2029. These deferred tax assets had been subject to a valuation allowance such that the deferred tax expense incurred as a result of the expiration of the capital loss and R&D credit carryforwards was offset by a corresponding deferred tax benefit for the related reduction in valuation allowance.

The Company’s ability to use the net operating loss and R&D tax credit carryforwards may be limited, as it is subject to certain limitations due to ownership changes as defined by rules pursuant to Section 382 of the Internal Revenue Code of 1986, as amended.

The Company has not recorded a liability for unrecognized income tax benefits.

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(11) Significant Agreements**

*Merck Agreement*

See Note 1 regarding Merck royalty revenues.

*Servier Agreement*

See Note 1 regarding the Servier milestone obligation to the Company.

*Nektar Agreement*

See Note 1 regarding the Nektar Second Amendment, wherein Nektar agreed to buy-out all remaining payment obligations to the Company under the Nektar License Agreement.

**(12) 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.

**(13) Leases**

***Principal Executive Offices and Office Service Agreements***

Commencing on March 1, 2016, the Company changed the location of its principal executive offices to 20 Commerce Drive, Suite 135, Cranford, New Jersey, 07016. The Company entered into an office service agreement with Regus for use of office space at this location effective March 1, 2016. In June 2018, the Company and Regus agreed to end the lease on August 31, 2018, and replace it with an updated office service agreement. The Company entered into an office service agreement with Regus for mailbox plus, telephone answering, and virtual office services effective September 1, 2018. Under the agreement, in exchange for the services provided by Regus, the Company was required to pay Regus an initial service retainer of \$259 and thereafter pay Regus a monthly fee of \$259 until August 31, 2020.

Effective July 1, 2018, the Company entered into an office rental agreement with Equinox for use of office space at 3556 Main Street, Manchester, VT, 05225. Under this agreement, in exchange for the Company's right to use the office space at this location, the Company is required to pay Equinox a monthly fee of \$729 until June 30, 2020.

**ENZON PHARMACEUTICALS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**(14) Other Corporate Events**

On February 4, 2016, the Board adopted the Plan of Liquidation and Dissolution, pursuant to which the Company would, subject to obtaining requisite stockholder approval, be liquidated and dissolved in accordance with Sections 280 and 281(a) of the General Corporation Law of the State of Delaware. In approving the Plan of Liquidation and Dissolution, the Board had considered, among other factors, the ability of the Company to obtain no-action relief from the SEC to suspend certain of the Company's reporting obligations under the Securities Exchange Act of 1934, as amended, and the anticipated cost savings if such relief is granted by the SEC. After further consideration, the Board determined that it would be fair, advisable and in the best interests of the Company and its stockholders to postpone seeking stockholder approval of the Plan of Liquidation and Dissolution until a later time to be determined by the Board.

From time to time, the Board reviews the Company's status and prospects in deciding on the timing of dissolution and liquidation of the Company pursuant to the Plan of Liquidation and Dissolution. If the Board determines to seek stockholder approval of such plan and such plan is approved by the Company's stockholders and implemented by the Company, it is expected that the Company's corporate existence will continue for the purpose of winding up its business and affairs for at least three years. The Company has forecasted minimal or no royalty or milestone revenues for the foreseeable future. In light of the uncertainty as to whether any of the milestones under the Micromet Marketing Agreement would be achieved, this forecast assumes that the Company would not receive any milestone or royalty payments under the Micromet Marketing Agreement.

**DESCRIPTION OF REGISTRANT'S SECURITIES**

The following description of the common stock, \$.01 par value ("Common Stock") of Enzon Pharmaceuticals, Inc. ("us", "our", or the "Corporation") is a summary. This summary is not complete and is subject to and qualified in its entirety by reference to the complete text of our Amended and Restated Certificate of Incorporation, as amended ("Certificate") and our Second Amended and Restated By-Laws, as amended ("By-Laws"), each previously filed with the Securities and Exchange Commission and incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.01 is a part, as well as to the relevant provisions of the Delaware General Corporation Law (the "DGCL"). Our Common Stock is the only class of securities of the Corporation registered under Section 12 of the Securities Exchange Act of 1934, as amended.

**General**

The authorized capital stock of the Corporation consists of: (i) 170,000,000 shares of Common Stock, and (ii) 3,000,000 shares of preferred stock, par value \$.01 per share ("Preferred Stock").

**Dividends**

Holders of Common Stock are entitled to receive dividends when, as and if declared by our Board of Directors out of funds legally available for their payment, subject to the rights of holders of any Preferred Stock that may be issued and outstanding and to restrictions contained in agreements to which the Corporation is a party.

**Voting Rights**

Each holder of our Common Stock is entitled to one vote per share on all matters submitted to a vote of stockholders. Generally, a matter submitted for stockholder action shall be approved if the votes cast "for" the matter exceed the votes cast "against" such matter, unless a greater or different vote is required by statute, any applicable law or regulation, the rights of any authorized series of Preferred Stock, or our Certificate or By-Laws. Other than in a contested election where directors are elected by a plurality vote, a director nominee shall be elected to the board if the votes cast "for" such nominee's election exceed the votes cast "against" such nominee's election. Subject to any rights of the holders of any series of Preferred Stock pursuant to applicable law or the certificate of designations creating that series, all voting rights are vested in the holders of shares of our Common Stock. Holders of shares of our Common Stock do not have cumulative voting rights.

**Rights Upon Liquidation**

Upon our liquidation, dissolution or winding up, the holders of Common Stock are entitled to share ratably in our net assets available after the payment of all debts and other liabilities, and after the satisfaction of the rights of any outstanding Preferred Stock.

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## **Other Rights**

Holders of our Common Stock have no preemptive, subscription, redemption or conversion rights, nor are they entitled to the benefit of any sinking fund. The outstanding shares of Common Stock are validly issued, fully paid and non-assessable.

## **Preferred Stock**

Our Board of Directors is authorized, without further action by our stockholders, to issue up to 3,000,000 shares of “blank check” Preferred Stock, in one or more series, and to fix the designations, powers, preferences and the relative, participating, optional or other special rights and any qualifications, limitations and restrictions of the shares of each series of Preferred Stock. The issuance of Preferred Stock could have the effect of delaying, deferring or preventing a change in control, as well as decrease the amount of earnings and assets available for distribution to holders of our Common Stock or otherwise adversely affect their rights and powers, including voting rights. Of our currently authorized Preferred Stock, 600,000 shares were previously designated as Series B Preferred Stock in connection with the Corporation’s Rights Plan, which expired on May 16, 2012, and 100,000 shares were previously designated Series A Junior Participating Preferred Stock in connection with the Corporation’s Section 382 Rights Plan. The rights issued pursuant to the Section 382 Rights Plan lapsed, unexercised, on April 30, 2017.

## **Other Provisions of Our Certificate and By-Laws and State Law Provisions That May Have Anti-Takeover Effects**

*Advance Notice Provisions.* Our By-Laws provide that a stockholder must notify us in writing, within timeframes specified in the By-Laws, of any stockholder nomination of a director and of any other business that the stockholder intends to bring at a meeting of stockholders.

*Amendments to Bylaws.* Our Certificate and By-Laws provide that our By-Laws may be amended by our Board of Directors or by vote of the holders of the shares entitled to vote in the election of directors.

*Changes to Board and Vacancies.* Our By-Laws provide that directors may be removed only for cause by the affirmative vote of the holders of a majority of the shares then entitled to vote at an election of directors. The By-Laws also provide that the number of directors may be increased or decreased, within established limits, by affirmative vote of a majority of the whole Board. Under our Certificate, any vacancy on the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, may only be filled by vote of a majority of the directors then in office, whether or not a quorum.

*State Law Provisions.* In general, Section 203 of the DGCL prohibits a Delaware corporation with a class of voting stock listed on a national securities exchange or held of record by 2,000 or more shareholders from engaging in a business combination with an interested stockholder (generally, the beneficial owner of 15% or more of the corporation’s outstanding voting stock) for three years following the time the stockholder became an interested stockholder, unless, prior to that time: (1) the corporation’s board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, (2) at least two-thirds of the outstanding shares not owned by that interested stockholder approve the business combination, or (3) upon becoming an interested stockholder, that stockholder owned at least 85% of the outstanding shares, excluding those held by officers, directors and some employee stock plans. A “business combination” includes a merger, asset sale, or other transaction resulting in a financial benefit, other than proportionately as a stockholder, to the interested stockholder.

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ENZON PHARMACEUTICALS, INC.

Subsidiaries of Registrant

<u>Subsidiary</u>	<u>State or Other Jurisdiction of Incorporation</u>
SCA Ventures, Inc.	Delaware

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**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statements of Enzon Pharmaceuticals, Inc. and Subsidiaries on Form S-3 (No. 333-137723) and Form S-8 (Nos. 333-174099, 333-140282, 333-134453, 333-132467, 333-121468, 333-101898, 333-64110, and 333-18051) of our report dated February 19, 2020, on our audits of the consolidated financial statements as of December 31, 2019 and 2018 and for each of the years then ended, which report is included in this Annual Report on Form 10-K to be filed on or about February 19, 2020.

/s/ EisnerAmper LLP

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EISNERAMPER LLP  
Philadelphia, Pennsylvania  
February 19, 2020

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

I, Andrew Rackear, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2019
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.

February 19, 2020

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

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

I, Richard L. Feinstein, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2019 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.

February 19, 2020

/s/ Richard L. Feinstein

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

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**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 Annual Report of Enzon Pharmaceuticals, Inc. (the Company) on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Andrew Rackear, Chief Executive Officer and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 19, 2020

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

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

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**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 Annual Report of Enzon Pharmaceuticals, Inc. (the Company) on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Richard L. Feinstein, Vice President-Finance and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 19, 2020

/s/ Richard L. Feinstein

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

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

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