NYMOX PHARMACEUTICAL CORP
Form 20-F
March 30, 2018

United States

Securities and Exchange Commission

Washington, D.C. 20549

Form 20–F

¨ Registration Statement pursuant to section 12(b) or (g) of the Securities Exchange Act of 1934

or

x Annual Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2017**

or

o Transition Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

or

o Shell Corporation Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of event requiring this Shell Corporation Report for the transition period from _____ to _____

Commission File Number: **001-12033**

NYMOX PHARMACEUTICAL CORPORATION

(Exact name of registrant as specified in its charter)

Bahamas

(Jurisdiction of incorporation or organization)

Bay & Deveaux Streets

Nassau, The Bahamas

(Address of principal executive offices)

Contact person: Erik Danielsen

Tel. 800-936-9669, e-mail: edanielsen@nymox.com, fax: 514-332-2227

(name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	**Name of each exchange on which registered**
Common Stock	The NASDAQ Stock Market LLC (NASDAQ Capital Market)

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

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

56,378,306 shares as of December 31, 2017

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes o No x

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Yes o No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website; if any, every interactive Date File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232-405 of this chapter) during the preceding twelve months (or for such shorter period that the registrant was required to submit and post such files).

Yes x No o

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

Large accelerated filer o Accelerated filer x Non-accelerated filer o

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP o	International Financial Reporting Standards x as issued by the International Accounting Standards Board.	Other o

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 o Item 18 o

If this is an annual report, indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No x

In this annual report, the terms “Nymox”, “The Corporation”, “The Company”, “we” and “us” refers to both Nymox Pharmaceutical Corporation and its subsidiaries, Nymox Corporation and Serex Inc. Unless otherwise indicated all dollar amounts are in United States Dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

You should be aware that this report contains forward-looking statements about, among other things, the anticipated operations, product development, financial condition and operating results of Nymox, proposed clinical trials and proposed transactions, including collaboration agreements.

By forward-looking statements, we mean any statements that are not statements of historical fact, including (but not limited to) statements preceded by or that include the words, “believes”, “expects”, “anticipates”, “hopes”, “targets” or simi expressions.

In connection with the “safe harbor” provisions in the Private Securities Litigation Reform Act of 1995, we are including this cautionary statement to identify some of the important factors that could cause Nymox’s actual results or plans to differ materially from those projected in forward-looking statements made by, or on behalf of, Nymox. These factors, many of which are beyond the control of Nymox, include Nymox’s ability to:

- Identify and capitalize on possible collaboration, strategic partnering or divestiture opportunities;

Although Nymox believes that the forward-looking statements contained in this annual report are reasonable, it cannot ensure that its expectations will be met. These statements involve risks and uncertainties. Actual results may differ materially from those expressed or implied in these statements. Factors that could cause such differences include, but are not limited to, those discussed under “Risk Factors.”

Part I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable

ITEM 3. KEY INFORMATION

Selected Financial Data

The following table sets forth selected consolidated financial data for Nymox for the periods indicated, derived from financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") the financial statements have been audited by Thayer O'Neal Company, LLC of Houston, Texas in the United States as of and for the year ended December 31, 2017, 2016 and 2015 and are reported in U.S. dollars. The data set forth below should be read in conjunction with the Corporation's consolidated financial statements and notes thereto included in Part I, Item 8 of this report.

NYMOX PHARMACEUTICAL CORPORATION

Selected Consolidated Financial Data (In U.S. dollars)

Fiscal Year Ended December 31,	**2017**	**2016**	**2015**	**2014**	**2013**
Total Assets	$ 979,137	$ 2,057,253	$ 712,231	$ 1,422,566	$ 966,385
Share Capital	$ 108,196,243	$ 92,125,364	$ 84,954,211	$ 81,227,058	$ 76,046,549

Total Equity	$ (1,251,350)	$ (641,420)	$ (2,753,009)	$ (4,180,943)	$ (6,058,370)
Sales	$ 223,719	$ 283,611	$ 252,732	$ 331,909	$ 741,410
Total Revenues (including sales)	$ 223,719	$ 283,611	$ 2,761,265	$ 2,949,509	$ 3,359,010
Loss from operating activities	$ 13,235,302	$ 12,869,398	$ 17,660,304	$ 4,724,705	$ 4,884,957
Net Loss	$ 13,428,878	$ 13,109,608	$ 17,893,863	$ 4,594,093	$ 4,908,603
Loss per Share (basic & diluted)	$ 0.26	$ 0.28	$ 0.48	$ 0.13	$ 0.14
Weighted Avg. No. of Common Shares	52,647,913	46,155,018	37,402,598	35,253,879	34,147,666

Nymox has never paid any dividends and does not expect to do so in the foreseeable future.

Risk Factors

Investing in our securities involves a significant degree of risk. You should carefully consider the risks described below, together with all of the other information in our publicly filed documents, before making an investment decision. If any of the following risks actually occurs, our business, financial condition or results of operations could be adversely affected. In such an event, the trading price of our Common Shares could decline, and shareholders may lose part or all of their investment in our securities.

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Our Clinical Trials for our Therapeutic Products in Development, Such as Fexapotide Triflutate (NX-1207), May Not Be Successful and We May Not Receive the Required Regulatory Approvals Necessary to Commercialize These Products

Products requiring regulatory approval, such as Fexapotide Triflutate (NX-1207), will be approved for commercial sale only if governmental regulatory authorities are satisfied that our clinical trials are properly designed and conducted and that the results of those trials provide valid and acceptable evidence that the product is safe and effective for the conditions or diseases it is intended to treat. We do not know whether our already collected clinical trial results on a stand-alone basis and/or in combination with any future clinical trial results will demonstrate sufficient safety and efficacy to obtain the requisite regulatory approvals or will result in marketable products. Clinical trials are lengthy, complex, expensive and uncertain processes and failure can occur at any stage of testing. If we fail to adequately demonstrate the safety and efficacy of our products under development, we will not be able to obtain the required regulatory approvals to commercialize our product candidates. On November 2, 2014, following the completion of data verification and auditing procedures, top-line results of the Phase 3 NX02-0017 and NX02-0018 U.S. clinical trials of NX-1207 for BPH at 12 months post-treatment were not statistically significant compared to placebo. The Corporation expects to continue its efforts to work on the development program.

Setbacks in our clinical trials or in our efforts to seek regulatory approval for NX-1207 or failure to obtain regulatory approval could cause the price of our shares to decline and adversely affect our business, operations, product development programs and financial condition. See “A Setback in Any of Our Clinical Trials Would Likely Cause a Drop in the Price of Our Shares”.

Our Clinical Trials for Certain of Our Therapeutic Products May Be Delayed, making it Impossible to Achieve Anticipated Development or Commercialization Timelines and Our Development of Fexapotide Triflutate (NX-1207) for BPH Has Been Delayed Due To Negative Results In Phase III Clinical Trials.

Delays in the initiation, conduct or completion of clinical trials are not uncommon. If one or more of our clinical trials is delayed, we may be unable to meet our anticipated development or commercialization timelines. Either circumstance could cause the price of our shares to decline, increase clinical trial and product development costs, and affect the Corporation’s business, operations, product development programs and financial condition.

The design, conduct and completion of clinical trials is a complex process involving many third parties, including governmental authorities, institutional review boards, contract manufacturers, contract research organizations, consultants, investigators, patients, and data monitoring committees. The initiation, progress, completion and success of a clinical trial is in part dependent on third parties providing necessary approvals, agreements and consents, performing necessary tasks in a timely, competent manner, and complying with protocols, good clinical practices and applicable laws, rules and regulations. Failure of a third party to perform as expected or agreed upon may result in delays or failure in initiating or completing a clinical trial.

Our clinical trials are subject to prior approvals and continuing oversight by governmental regulatory authorities and institutional review boards. We must meet and comply with their requirements in order to start, continue and successfully complete a clinical trial. We may not be able to comply with one or more of these requirements or there may be delays in doing so. Governmental regulatory authorities may change approvals or requirements, resulting in changes to the design or conduct of a clinical trial or the need for new or further clinical trials.

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On November 2, 2014, following the completion of data verification and auditing procedures and the unblinding and top line analysis of efficacy of the studies, Nymox announced that the NX02-0017 and NX02-0018 Phase 3 clinical trials had failed to meet their primary endpoints. Top-line results of the Phase 3 NX02-0017 and NX02-0018 U.S. clinical trials of NX-1207 for BPH at 12 months post-treatment were not statistically significant compared to placebo. The Corporation is in the process of further data analysis and assessments of the two studies and expects to continue its efforts to work on the development program. On July 27, 2015 Nymox announced that the Company's U.S. long-term extension prospective double-blind Phase 3 BPH studies NX02-0017 and NX02-0018 of fexapotide triflutate (NX-1207) for BPH have successfully met the pre-specified primary endpoint of long-term symptomatic statistically significant benefit superior to placebo. The Company announced that Fexapotide showed an excellent safety profile with no evidence of drug-related short-term or long-term toxicity nor any significant related molecular side effects in the 2 studies. As a result of the clinical benefits observed in the long-term extension trial, the Company intends to meet with regulatory authorities in various jurisdictions around the world and in due course to proceed to file for approval where possible.

A Setback in Any of Our Clinical Trials or Efforts to Obtain Regulatory Clearance for Our Products Would Likely Cause a Drop in the Price of Our Shares

On November 2, 2014, following the completion of data verification and auditing procedures and the unblinding and top line analysis of efficacy of the studies, Nymox announced that the NX02-0017 and NX02-0018 Phase 3 clinical trials had failed to meet their primary endpoints. On November 3, 2014 the Corporation's stock fell approximately 82%, from $5.14 to $0.93.

The clinical testing of drug candidates is fraught with uncertainties and positive results from earlier clinical trials may not be repeated in later trials. As well, government regulators such as the U.S. Food and Drug Administration, or FDA, may require additional testing or further documentation relating to the preclinical testing, clinical studies, manufacturing or other issues at any time. These requirements may result in substantial delays in obtaining regulatory approval or make obtaining such approval much more difficult. Setbacks in any phase of the clinical development of our product candidates could have a negative impact on our business, operations, product development programs and financial condition, could jeopardize FDA or other regulatory approval and would likely cause a further drop in the price of our shares.

We May Not be Able to Make Adequate Arrangements with Third Parties for the Commercialization of Our Product Candidates, such as NX-1207

In order to commercialize our product candidates successfully, we intend, on a product-by-product basis, either to make arrangements with third parties to perform some or all of these services or to expand our existing sales, marketing and distribution capabilities. We currently have limited sales and marketing capabilities and limited experience in developing, training or managing a large marketing or sales force. We currently rely primarily upon distributors for the sales of our existing products. The cost of establishing and maintaining a larger sales force would be substantial and may exceed its cost effectiveness. In addition, in marketing our products, we would likely compete with many companies that currently have extensive and well-funded marketing and sales operations. Despite our marketing and sales efforts, we may be unable to compete successfully against these companies. We may make arrangements with third parties to market and sell some or all of our products under development in certain territories, rather than establish our own sales force. We may not be able to do so on favorable terms. If we contract with third parties for the sales and marketing of our products, our revenues will depend upon the efforts of these third parties, whose efforts may not be successful.

We anticipate entering into co-development and co-marketing agreements with one or more partners with established sales, marketing and regulatory capabilities in order to assist in the completion of the development and commercialization of NX-1207. We may not be able to do so on favorable terms. If we fail to establish or make adequate arrangements with third parties for such purposes, our business, operations, product development programs and financial condition will be materially adversely affected.

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We May Not Achieve Our Projected Development Goals in the Time Frames We Announce and Expect

We make public statements regarding the achievement of our milestones, such as the commencement and completion of clinical trials, regulatory submission and approval dates and time of product launch. The actual timing of these events can vary dramatically due to factors such as delays or failures in our clinical trials, the uncertainties inherent in the regulatory approval process and delays in achieving manufacturing or marketing arrangements sufficient to commercialize our products. There can be no assurance that our clinical trials will be completed, that we will make regulatory submissions or receive regulatory approvals as planned or that we will be able to adhere to our current schedule for the launch of any of our products. If we fail to achieve one or more of these milestones as planned, for instance, such as the completion of our Phase 3 development of NX-1207 for BPH, which has been delayed due to certain negative results, the price of our shares could decline.

Even If We Obtain Regulatory Approvals for Our Product Candidates, We Will be Subject to Stringent Ongoing Government Regulation

Even if regulatory authorities approve any of our product candidates, the manufacture, marketing and sale of such products will be subject to strict and ongoing regulation. Compliance with such regulation will be expensive and consume substantial financial and management resources. For example, an approval for a product may be conditioned on our conducting costly post-marketing follow-up studies. In addition, if based on these studies, a regulatory authority does not believe that the product demonstrates a benefit to patients, such authority could limit the indications for which the product may be sold or revoke the product's regulatory approval.

We and our contract manufacturers will be required to comply with applicable current Good Manufacturing Practice ("cGMP") regulations for the manufacture of our products. These regulations include requirements relating to quality assurance, as well as the corresponding maintenance of records and documentation. Manufacturing facilities must be approved before we can use them in commercial manufacturing of our products and are subject to subsequent periodic inspection by regulatory authorities. In addition, material changes in the methods of manufacturing or changes in the suppliers of raw materials are subject to further regulatory review and approval.

If we or any marketing collaborators or contract manufacturers fail to comply with applicable regulatory requirements, we may be subject to sanctions including fines, product recalls or seizures, injunctions, total or partial suspension of production, civil penalties, and withdrawals of previously granted regulatory approvals and criminal prosecution. Any of these penalties could delay or prevent the development, marketing or sale of our products.

It is Uncertain When, if Ever, We Will Make a Profit

We first began operations in 1995 and are only in the early stages of commercial marketing of our diagnostic products, NicAlert™ and TobacAlert™. We have never made a profit. We incurred a net loss of approximately $13.1 million in 2016 and $13.4 million in 2017. As of December 31, 2017, Nymox's accumulated deficit was approximately $144.5 million and we have negative cash flows from operations. As of December 31, 2017, we had negative working capital of $1,269,342.

We cannot say when, if ever, Nymox will become profitable or operate with positive cash flows from operations. Profitability will depend on our uncertain ability to generate revenues from the sale of our products and the licensing of our technology that will offset the significant expenditures required for us to advance our research, protect and extend our intellectual property and develop, manufacture, license, market, distribute and sell our technology and products successfully. Similar types of expenditures in the past have contributed to the net losses reported above.

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We Will Require Additional Funding to Continue as a Going Concern

The Corporation will require additional funds to pursue its operations as a going concern for the fiscal year ending December 31, 2017 and beyond, some of the funds of which would be used to conduct further research and development, schedule clinical testing, obtain regulatory approvals and the commercialization of its product candidates. The Corporation had available cash of approximately $851,251 and a negative working capital of $1,269,342 as of December 31, 2017. Cash flows used in operations during 2017 were $6,205,114.

Management believes that current cash balances as at December 31, 2017 and anticipated funds from product sales are not sufficient to fund substantially all of its planned business operations and research and development programs over the next year. The Corporation intends to access additional capital through private placements of its Common Stock and or other financing mechanisms over the next year.

There can be no assurance that any additional funding will be available at terms that are acceptable to the Corporation to enable the Corporation to continue to pursue its operations. Considering recent developments and the need for additional financing, there exists a material uncertainty that casts substantial doubt about the Corporation’s ability to continue as a going concern. Our consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption is not appropriate, then adjustments may be necessary to the carrying value and classification of assets and liabilities and reported results of operations and such adjustments could be material.

We have incurred operating losses throughout our history. Management believes that such operating losses will continue for at least the next few years as a result of expenditures relating to research and development of our potential therapeutic products.

We Face Challenges in Developing, Manufacturing and Improving Our Products

We are still developing many of our products and have not yet brought them to market. We cannot make any assurances that we will be able to develop our products and to market them successfully. Developing and improving our diagnostic products is challenging. The science and technology of the detection and measurement of very small amounts of biochemicals in bodily fluids and tissue is evolving rapidly. We may need to make significant

expenditures in research and development costs and licensing fees in order to take advantage of new technologies. If any major changes to our testing technologies used in our NicAlert™ or TobacAlert™ tests are made, further validation studies will be required. Developing new diagnostic products is more challenging, requiring identification and validation of the biochemical marker being detected by the new product in the clinical context and the development and validation of the product designed to detect the marker.

We anticipate outsourcing at least some of the manufacturing required for new products we may develop in order to control start-up and operating costs and to take advantage of the existing manufacturing capabilities and capacity in the large contract manufacturing sectors in the pharmaceutical and diagnostic industries. There are risks associated with this strategy, including difficulties in the transfer of manufacturing, the possibility of production interruption due to causes beyond our control and the need to arrange alternative suppliers. We currently out-source some of the manufacturing services required for our NicAlert™ and TobacAlert™ products to a contract manufacturer. We do not anticipate any significant risk of long-term interruption of manufacture due to this arrangement. The services supplied are not unique or unduly complicated and other contract manufacturers are available to provide similar services.

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Our Products and Services May Not Receive Necessary Regulatory Approvals

Our diagnostic products, NicAlert™ and TobacAlert™, and our products in development, are subject to a wide range of government regulation governing laboratory standards, product safety and efficacy. The actual regulatory schemes in place vary from country to country and regulatory compliance can take several years and involve substantial expenditures.

We cannot be sure that we can obtain necessary regulatory approvals on a timely basis, if at all, for our products in development and all of the following could have a material adverse effect on our business:

- failure to obtain or significant delays in obtaining requisite approvals;

Any changes in the Centers for Medicare and Medicaid Services ("CMS") or state law requirements or in the U.S. Food and Drug Administration ("FDA") regulations could have a detrimental impact on our ability to offer or market any reference laboratory services and/or on our ability to obtain reimbursement from the Medicare and Medicaid programs and providers.

Similar requirements exist in many other countries. Obtaining these approvals and complying with the subsequent global regulatory requirements can be both time-consuming and expensive.

In the United States, our drugs in development will require final FDA approval before their sale or distribution. Such approval comes only at the end of a lengthy, expensive and often arduous process. In September, 2006, we announced the successful completion of a multi-center, double-blind, placebo-controlled Phase 2 trial of NX-1207, our lead candidate for the treatment of BPH, a common disorder of older men. In February 2008, the Corporation reported positive results in a 32 site U.S. Phase 2 prospective randomized clinical trial, with statistically significant improvement compared to an approved BPH drug (finasteride). Subsequent to the completion of the Phase 2 studies, the Corporation has reported positive results in several follow-up studies of BPH patients that participated in the Phase

2 studies. In February 2009, the Corporation reported concluding a positive and productive End of Phase 2 (“EOP2”) meeting with the FDA concerning the Phase 3 program for NX-1207. In June 2009, the Corporation began conducting the first of two pivotal double blind placebo controlled Phase 3 trials for NX-1207 that incorporate the specific protocol design recommendations provided to the Corporation by the FDA. Top-line results of the Phase 3 NX02-0017 and NX02-0018 U.S. clinical trials of NX-1207 for BPH at 12 months post-treatment were not statistically significant compared to placebo. The Corporation is in the process of further data analysis and assessments of the two studies, and expects to continue its efforts to work on the development program. On July 27, 2015 Nymox announced that the Company’s U.S. long-term extension prospective double-blind Phase 3 BPH studies NX02-0017 and NX02-0018 of fexapotide triflutate (NX-1207) for BPH have successfully met the pre-specified primary endpoint of long-term symptomatic statistically significant benefit superior to placebo. The Company announced that Fexapotide showed an excellent safety profile with no evidence of drug-related short-term or long-term toxicity nor any significant related molecular side effects in the 2 studies. As a result of the clinical benefits observed in the long-term extension trial, the Company has to met with regulatory authorities in various jurisdictions around the world and has filed for regulatory approval in Europe and intends to file with the FDA later this year. Nevertheless, we cannot predict with any certainty the outcome of this program, what further steps may be required or whether regulatory authorities will ultimately grant us such approval.

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We Face Significant and Growing Competition

The modern pharmaceutical and biotechnology industries are intensely competitive. Our treatments under development for enlarged prostate BPH face significant competition from existing products. There are at least nine drugs approved for treatment of BPH: five proprietary drugs (dutasteride (Avodart®), tamsulosin (Flomax®), alfusozin, (Uroxatral®), silodosin (Rapaflo®), and tadalofil (Cialis®)), a combination of two drugs (dutasteride and tamsulosin) (Jalyn™), and four generics (finasteride, terazozin, doxazozin, and prazosin). There are a number of thermal treatments on the market designed to shrink the enlarged prostate by heating its tissue with a device inserted through the urethra (the passage leading from the bladder through the penis through which men urinate). The devices on the market use microwave energy (Prostatron®, Targis Therapy® or TherMatrx®), low level radiowaves (TUNA System®), lasers (Indigo LaserOptic Treatment System® or Laserscope GreenLight PVP™), direct heat, energy or hot water to heat or burn away prostate tissue. A variety of surgical procedures exist to surgically reduce or remove the prostate or to widen the urethra. These include procedures to cut away prostate tissue such as TURP (transurethral resection of the prostate) and using a resectoscope with an electrical loop inserted through the penis to cut the prostate tissue. A small device used to widen the constricted urethra called a prostatic stent can also be inserted. In 2013, the FDA approved the Urolift™ system, a permanent surgical implant designed to pull back prostate tissue to improve urination in men with BPH.

The diagnostic testing industry is also highly competitive. The FDA has approved two radioactive diagnostic agents for Positron Emission Tomography (“PET”) imaging as an aid to the evaluation of patients with signs of Alzheimer’s disease: Amyvid® (florbetapir), marketed by Lilly, and Vizamyl® (flutemetamol), marketed by GE Healthcare. Other companies are also developing similar technologies. The introduction of other diagnostics products for tobacco product use that are cheaper, easier to perform, more accurate or otherwise more attractive to the physicians, health care payers or other potential customers would have a significant impact on the sales of our NicAlert™ or TobacAlert™ products.

We May Not Be Able to Successfully Market Our Products

To increase our marketing, distribution and sales capabilities both in the United States and around the world, we will need to enter into licensing arrangements, contract sales agreements and co-marketing deals. We cannot assure you that we will be able to enter into agreements with other companies on terms acceptable to us, that any licensing

arrangement will generate any revenue for the Corporation or that the costs of engaging and retaining the services of a contract sales organization will not exceed the revenues generated.

Protecting Our Patents and Proprietary Information is Costly and Difficult

We believe that patent and trade secret protection is important to our business, and that our success will depend, in part, on our ability to obtain strong patents, to maintain trade secret protection and to operate without infringing the proprietary rights of others.

Obtaining and maintaining our patent position is costly. We pay for the filing, prosecution and fees of several hundred patents and patent applications in countries around the world, including the United States, Europe, Japan, Canada, Australia, New Zealand and South Korea.

While we believe that we have strong patent protection for the products we sell and for our product development programs and we are in the process of extending that patent protection to cover more countries or new discoveries or products, we cannot assure you that additional patents covering new products or improvements will be issued or that any new or existing patents will be of commercial benefit or be valid and enforceable if challenged.

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We believe that the patents issued to date should not preclude Nymox from developing and marketing our products; however, it is impossible to predict the extent to which licenses from third parties will be necessary. If Nymox were to need licenses from third parties there can be no assurance that we could obtain such licenses on commercially reasonable terms, if at all.

In the fields of diagnostic methods and diagnostic tests for common human diseases and conditions, where Serex has many of its patents, there are many patents issued covering many areas of diagnostic methods, tests and technologies. We believe that these patents issued to date to other companies will not preclude Serex from developing and marketing its products but you should be aware that it is often difficult to determine the nature, breadth and validity of competing patent claims in these fields, that there has been significant litigation in some of these areas (not involving Serex) and that, if and when Serex's products become more commercially successful, Serex's products or patents may become the subject matter of litigation. If Serex were to need licenses from third parties there can be no assurance that it could obtain such licenses on commercially reasonable terms, if at all.

We are not currently involved in patent litigation. In the pharmaceutical and biotechnology industry patent disputes are frequent and can preclude the commercialization of products. Patent litigation is costly and the outcome often difficult to predict. It can expose us to significant liabilities to third parties and may require us to obtain third-party licenses at a material cost or cease using the technology or product in dispute.

We Face Changing Market Conditions

The healthcare industry is in transition with a number of changes that affect the market for therapeutic and diagnostic test products. The U.S. federal and various state governments have under consideration a number of proposals that may have the effect of directly or indirectly limiting drug prices in the U.S. markets. In March 2010, the United States enacted health care reform legislation, the Patient Protection and Affordable Care Act. Important market reforms have begun and will continue through full implementation in 2016 and beyond. The new law is expected to expand access to health care to more than 32 million Americans by the end of the decade. These changes may adversely affect the prices we may charge for any therapeutic drug we develop. Funding changes and budgetary considerations can lead major health care payers and providers to make changes in reimbursement policies for our products. These changes can seriously impact the potential for growth for the market for our products, either favorably when the decision is to offer coverage for our products at a reasonable price or negatively when the decision is to deny coverage altogether.

Changes in the healthcare delivery system have resulted in consolidations and in the formation of multi-hospital alliances, reducing the number of institutional customers for therapeutic and diagnostic test products. There can be no assurance that Nymox will be able to enter into and/or sustain contractual or other marketing or distribution arrangements on a satisfactory commercial basis with these institutional customers.

Health Care Plans May Not Cover or Adequately Pay for Our Products and Services

Throughout the developed world, both public and private health care plans are under considerable financial and political pressure to contain their costs. The two principal methods of restricting expenditures on drugs and diagnostic products and services are to deny coverage or, if coverage is granted, to limit reimbursement. For single-payer government health care systems, a decision to deny coverage or to severely restrict reimbursement for one of our products can have an adverse effect on our business and revenues.

In the United States, where, to a significant degree, the patient population for our products is elderly, Medicare and Medicaid are sources of reimbursement. In general, any restriction on reimbursement, coverage or eligibility under either program could adversely affect reimbursement to Nymox for products and services provided to beneficiaries of the Medicare and/or Medicaid programs. Many elderly people are covered by a variety of private health care organizations either operating private health care plans or Medicare or Medicaid programs subject to government regulation. These organizations are also under considerable financial constraints and we may not be able to secure coverage or adequate reimbursement from these organizations. Without coverage, we will have to look to the patients themselves who may be unwilling or unable to pay for the product; in turn, doctors may be reluctant to order or prescribe our products in the absence of coverage of the product for the patient.

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We Are Subject to Continuing Potential Product Liability Risks, Which Could Cost Us Material Amounts of Money

We may be subject to product liability which could task our critical resources, delay the implementation of our business strategy, result in products being recalled or removed from the market, and materially and adversely harm our business and financial condition due to the costs of defending such legal actions or the payment of any judgments or settlements relating to such actions or both. Our business exposes us to the risk of product liability claims that is inherent in the development and marketing, distribution, and sale of pharmaceutical and diagnostic products. If any of our product candidates or marketed products harms people, or is alleged to be harmful, we may be subject to costly and damaging product liability claims brought against us by clinical trial participants, consumers, patients, health care providers, corporate partners or others.

We have product liability insurance covering our ongoing clinical trials and marketed products. Our insurance coverage may not be sufficient to cover fully all potential claims, nor can we guarantee the solvency of any of our insurers. If our claims experience results in higher rates, or if product liability insurance otherwise becomes costlier because of general economic, market or industry conditions, then we may not be able to maintain product liability coverage on acceptable terms. If sales of our products increase materially, or if we add significant products to our portfolio, then we will require increased coverage and may not be able to secure such coverage at reasonable rates or terms. If our insurance coverage is not sufficient to cover fully all potential claims, the Corporation would be exposed to the risk that our litigation costs and liability could exceed our total assets and our ability to pay.

The Issuance of New Shares May Dilute Nymox's Stock

The Corporation relies almost exclusively on financing to fund its operations. In order to achieve the Corporation's business plan and realization of its assets and liabilities in the normal course of operations, the Corporation anticipates the need to raise additional capital and/or achieve sales and other revenue generating activities. The Corporation has historically primarily depended on financing under the Common Stock Private Purchase Agreement as well as direct private placements of its Common Stock to qualified investors to fund its operations. The Corporation issued convertible notes in the amount of $1,070,000 on December 16, 2014, has converted into 2,007,504 common shares of the Corporation by the year end of December 31, 2017 at a conversion price of $0.533 per share that has diluted our common stock. Moreover, Nymox may use its shares as currency in acquisitions. The issuance of further shares and

the eligibility of issued shares for sale will dilute our common stock and may lower its share price. There were 57,207,538 common shares of Nymox issued and outstanding as of March 26, 2018. In addition, 5,710,000 share options are outstanding, of which 5,710,000 are currently vested. Expiry dates for Nymox options range from 7.4 years to 9.0 years (see note 11 to our consolidated financial statements). These options have been granted to employees, officers, directors and consultants of the Corporation.

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ITEM 3. KEY INFORMATION

Selected Financial Data

If We Fail to Maintain Compliance with the Requirements for Continued Listing on The NASDAQ Stock Market, Our Common Shares Could be Delisted from Trading on the NASDAQ Stock Market, Which Would Adversely Affect the Liquidity of Our Common Shares and Our Ability to Raise Additional Capital.

Our common shares are currently listed for quotation on the NASDAQ Stock Market. We are required to meet specified financial requirements in order to maintain our listing on the NASDAQ Stock Market. Failure to meet the listing requirements may lead to delisting from the Nasdaq Capital Market in which case the Corporation will consider an alternate trading platform for its common shares. Any potential delisting of our common shares from the NASDAQ Stock Market would make it more difficult for our shareholders to sell our shares in the public market and would likely result in decreased liquidity, limited availability of market quotations for common shares, limited availability of news and analyst coverage regarding our company, a decreased ability to issue additional securities and increased volatility in the price of our common shares. Further, if we were no longer listed on the NASDAQ Stock Market or any other U.S. exchange, our ability to raise additional capital could be impeded and thus have a material adverse effect on our business and operations.

We Face Potential Losses Due to Foreign Currency Exchange Risks

Nymox incurs certain expenses, principally relating to salaries and operating expenses at its Bahamian, U.S. and Canadian offices. Most of our expenses are derived in U.S. dollars. As a result, we are exposed to the risk of losses due to fluctuations primarily in the exchange rates between the U.S. dollar and the Canadian dollar. We protect ourselves against this risk by maintaining cash balances in both currencies. We do not currently engage in hedging activities. The Corporation may suffer losses as a result of unfavorable fluctuations in the exchange rates between the United States dollar and Canadian dollar.

We Have Never Paid a Dividend and are Unlikely to do so in the Foreseeable Future

Nymox has never paid any dividends and does not expect to do so in the foreseeable future. We expect to retain any earnings or positive cash flow in order to finance and develop Nymox’s business.

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ITEM 4. INFORMATION ON THE CORPORATION

History of the Corporation

Nymox Pharmaceutical Corporation was incorporated under the Canada Business Corporations Act in May 1995 to acquire all of the common shares of DMS Pharmaceutical Inc., a private Corporation which had been carrying on research and development since 1989 on diagnostics and drugs for brain disorders and diseases of the aged with an emphasis on Alzheimer's disease. In 2015, the Corporation changed domicile to The Bahamas.

We have funded our operations and projects primarily by selling shares of Nymox's common stock. On December 1, 1996, our common shares began trading on the Nasdaq Stock Market. Nymox's common shares also traded on the Montreal Exchange from December 18, 1995 to November 19, 1999. In total through December 31, 2017, Nymox has raised over $108 million through the issuance of common stock or securities exercisable for shares of common stock since its incorporation in May 1995.

Organizational Structure

Nymox has two subsidiaries: one wholly-owned subsidiary named Nymox Corporation and the other a majority owned subsidiary named Serex, Inc., acquired in 2000. Both subsidiaries are based in the same building in Hasbrouck Heights, New Jersey. Nymox Corporation conducts some research and development, while Serex conducts research and development, and some of the manufacturing for NicAlert™ and TobacAlert™.

Nymox's offices are located at:

Nymox Pharmaceutical Corporation

Bay & Deveaux Sts., Nassau, The Bahamas

Phone: (800) 936-9669 Fax: (514) 332-2227

Nymox's registered agent in the United States is:

CT Corporation System

111 Eighth Avenue, 13th Floor

New York, NY, 10011

Nymox's two subsidiaries are located at:

Nymox Corporation

777 Terrace Avenue

Hasbrouck Heights, NJ, USA 07604

Serex, Inc.

777 Terrace Avenue

Hasbrouck Heights, NJ, USA 07604

Business Overview

Nymox Pharmaceutical Corporation is a biopharmaceutical company focused on developing its drug candidate, NX-1207, for the treatment of BPH and the treatment of low-grade localized prostate cancer. The Corporation currently markets NicAlert™ and TobacAlert™, tests that use urine or saliva to detect use of tobacco products. The Corporation also has an extensive patent portfolio covering its marketed products, its investigational drug as well as other therapeutic and diagnostic indications.

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Nymox also has U.S. and global patent rights for the use of statin drugs for the treatment and prevention of Alzheimer's disease. On March 24, 2015, the Corporation announced that it would hold a special shareholders meeting on April 15, 2015 in Montreal for a motion to transfer the Corporation's head office from Montreal (Quebec) to the Bahamas. Over 94% of the shareholders agreed to move the Corporation Domicile from Canada to The Bahamas.

Products

NicAlert™ for Tobacco Product Use and TobacAlert™ for Second-Hand Smoke Exposure

Nymox has developed and markets NicAlert™ and TobacAlert™, which are inexpensive, simple-to-use test strips for determining whether a person is using tobacco products (NicAlert™) or has been recently exposed to second-hand smoke (TobacAlert™). Both NicAlert™ and TobacAlert™ employ Serex, Inc.'s patented technology to provide an accurate read-out of levels of cotinine, a by-product of the body's breakdown of nicotine and generally regarded as the best indicator of tobacco exposure for smokers and nonsmokers. The technology can be used with saliva as well as urine samples in order to detect tobacco product use. NicAlert™ and TobacAlert™ do not require instruments or special training to use and offer a quick, convenient means to test on-site whether a person, such as a child, teenager, student athlete or insurance applicant, is using a tobacco product or has been exposed to second-hand smoke.

Smoking and other tobacco product use is a serious public health problem around the world. Smoking kills. According to the Centers for Disease Control and Prevention, cigarette smoking is responsible for more than 443,000 deaths per year in the United States alone. Smoking can cause cancer of the lung, mouth, bladder, larynx, esophagus and other organs, as well as heart disease and stroke and chronic lung disease. Every year, exposure to second-hand smoke (environmental tobacco smoke or ETS) causes an estimated 3,400 nonsmoking Americans to die of lung cancer and up to 300,000 American infants and small children to suffer from lower respiratory tract infections.

NicAlert™ received clearance from the FDA in October 2002 for medical use to determine if an individual has been exposed to tobacco products. In January, 2006, Nymox announced the certification of the urine-based version of NicAlert™ with a CE Mark making it eligible for sale in the European Union and in May, 2006 the certification of the saliva-based version of NicAlert™ with a CE Mark. In September, 2003, Nymox launched TobacAlert™ for nonmedical testing for second hand smoke exposure in the U.S.

We market the NicAlert™ and TobacAlert™ tests through our own marketing arm and distributors in North America, Europe and Asia. TobacAlert™ is also available online at www.tobacalert.com. Nymox has entered into distribution and marketing agreements with companies and organizations in the U.S. for these products.

Our NicAlert™ and TobacAlert™ products face competition from clinical laboratories such as LabCorp and Quest Diagnostics which provide off-site lab testing for cotinine, the by-product of the body's breakdown of nicotine measured by NicAlert™ and TobacAlert™, and from assay suppliers, including immunoassay developers such as OraSure Technologies Inc. and Abraxis LLC, and diagnostic system manufacturers such as Roche Diagnostics, Abbott and Siemens Medical Solutions. NicAlert™ and TobacAlert™ also face competition from distributors who supply yes-no smoking status tests such as NicQuick, and QuickScreen, from NicCheck™ I, an FDA-cleared smoking status test being marketed by Mossman & Associates Ltd, from SmokeScreen, a chemical color-based tobacco test being marketed by GFC Diagnostics Ltd. in the United Kingdom, and from carbon monoxide ("CO") monitors such as SmokeCheck.

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ITEM 4. INFORMATION ON THE CORPORATION

NicAlert™ and TobacAlert™ products are currently partly manufactured through out-sourcing arrangements with contract manufacturers. To date, we have not experienced any significant interruptions in the manufacture of these products and the cost of the manufacturing services has not been volatile. The manufacturing services supplied by our current contract manufacturers are not unique or unduly complicated and other contract manufacturers are available to provide similar services in the event that our current contract manufacturers fail to meet our needs.

The technology used in these products is covered by patents and patent applications held by Nymox's subsidiary, Serex, Inc., both in the U.S. and elsewhere in the world

AlzheimAlert ™; an Aid to the Diagnosis of Alzheimer 's disease

We have developed AlzheimAlert™, a proprietary urine assay that can aid physicians in the diagnosis of Alzheimer's disease. We have developed a kit version of the AlzheimAlert™ assay for sale in Europe. The AlzheimAlert™ kit has the CE Mark. The kit allows clinical reference laboratories to perform the AlzheimAlert™ assay on site with urine samples sent directly to the laboratory.

Products in Development:

NX-1207 for Enlarged Prostate (BPH)

We are developing treatments for BPH, using novel compounds. Our lead candidate NX-1207 successfully completed a multi-center, double-blind, placebo-controlled Phase 2 trial in September 2006. Top-line results of the Phase 3 NX02-0017 and NX02-0018 U.S. clinical trials of NX-1207 for BPH at 12 months post-treatment were not statistically significant compared to placebo. The Corporation is in the process of further data analysis and assessments of the two studies and expects to continue its efforts to work on the development program. We cannot predict with any certainty the outcome of this program, what further steps may be required in order to apply for final FDA approval for this drug or whether the FDA will ultimately grant us such approval.

We believe, there is a significant need for an effective treatment for BPH. More than half of men in their sixties and as many as 90% of men in their seventies and eighties have the symptoms or signs of BPH according to the 2010 AUA Guideline on the Management of Benign Prostatic Hyperplasia, American Urological Association. Symptoms include more frequent urination (especially at night), difficulty urinating, incomplete emptying of the bladder and sometimes complete inability to urinate. More serious cases may require surgical intervention to reduce the size of the prostate. There is a need for a simple, effective treatment for BPH, particularly in cases where existing drug treatments have proven to be ineffective and where more intrusive procedures such as surgery may be inadvisable or bring unacceptable risks.

In July 2012, Nymox reported positive results from a study of long-term treatment outcomes for men who had received a single injection of NX-1207 2.5 mg for treatment for their BPH. The study analysis found that a statistically significant greater number of men who had received NX-1207 2.5 mg reported positive treatment outcomes as compared to men who had received a placebo. The study involved the latest blinded follow-up study data (an average of 57 months post-injection) from the completed clinical trials for these treatment groups. A positive treatment outcome was seen if the patient was not using other BPH medications and no surgical treatment (including MIST) for BPH was reported at any time during the post-injection follow-up period. The statistical analysis of blinded study data showed NX-1207 2.5 mg to have a lasting benefit in terms of positive treatment outcomes that was significantly superior to placebo.

Completed Phase 2 studies have shown that a single administration of NX-1207 resulted in symptomatic improvements which reached statistical significance compared to double-blinded placebo and study controls. The drug is administered by a urologist in an office setting in a brief procedure that does not require anesthesia, sedation, or catheterization and involves little or no pain or discomfort. NX-1207 treatment has not been found to have the sexual, blood pressure, or other side effects associated with the use of the approved drugs for the treatment of BPH. Follow-up studies have shown clinical efficacy effects lasting up to 7½ years after a single treatment.

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In February 2009, the Corporation reported concluding a positive and productive EOP2 meeting with the FDA concerning the Phase 3 program for NX-1207. In June 2009, the Corporation began conducting the first of two pivotal double blind placebo controlled Phase 3 trials for NX-1207 that incorporate the specific protocol design recommendations provided to the Corporation by the FDA. On November 2, 2014, following the completion of data verification and auditing procedures and the unblinding and top line analysis of efficacy of the studies, Nymox announced that the NX02-0017 and NX02-0018 Phase 3 clinical trials had failed to meet their primary endpoints. Top-line results of the Phase 3 NX02-0017 and NX02-0018 U.S. clinical trials of NX-1207 for BPH at 12 months post-treatment were not statistically significant compared to placebo. At the time, the Corporation announced that it was is in the process of performing further data analysis and assessments of the two studies. The Company further announced that it expects to continue its efforts to work on the development program.

On July 27, 2015 Nymox announced initial clinical results from its ongoing analysis and assessment of its Phase 3 development program in BPH. The Company announced that the U.S. long-term extension prospective double-blind Phase 3 BPH studies NX02-0017 and NX02-0018 of fexapotide triflutate (NX-1207) for BPH had successfully met the pre-specified primary endpoint of long-term symptomatic statistically significant benefit superior to placebo. Fexapotide showed an excellent safety profile with no evidence of drug-related short-term or long-term toxicity nor any significant related molecular side effects in the 2 studies. As a result of the clinical benefits observed in the long-term extension trial, the Company announced that it intends to meet with regulatory authorities in various jurisdictions around the world and in due course explore the possibility to proceed to file for approval where possible.

Our treatments under development for enlarged prostate (benign prostatic hyperplasia or BPH) face significant competition from existing products. There are nine drugs approved for treatment of BPH: five proprietary drugs (dutasteride (Avodart®), tamsulosin (Flomax®), alfusozin (Uroxatral®), silodosin (Rapaflo®), and tadalafil (Cialis®)) a combination of two drugs (dutasteride and tamsulosin) (Jalyn™), and four generics (finasteride, terazozin, doxazozin, and prazosin). There are a number of thermal treatments on the market designed to shrink the enlarged prostate by heating its tissue with a device inserted through the urethra (the passage leading from the bladder through the penis through which men urinate). The devices on the market use microwave energy (Prostatron®, Targis Therapy® or TherMatrx®), low level radiowaves (TUNA System®), lasers (Indigo LaserOptic Treatment System® or Laserscope GreenLight PVP™), direct heat or hot water to heat or burn away prostate tissue. A variety of surgical procedures exist to surgically reduce or remove the prostate or to widen the urethra. These include procedures to cut away prostate tissue such as TURP (transurethral resection of the prostate) and using a resectoscope with an electrical loop inserted through the penis to cut the prostate tissue. A small device used to widen the constricted urethra called a prostatic stent can also be inserted. In 2013, the FDA approved the Urolift™ system, a permanent surgical implant designed to pull back prostate tissue to improve urination in men with BPH.

NX-1207 for Prostate Cancer

We are also developing NX-1207 as a focal treatment for certain types of cancer. In March 2012, we initiated a Phase 2 U.S. clinical trial enrolling a total of 147 patients at 28 clinical centers across the U.S. to evaluate the Corporation's NX-1207 drug for the treatment of low grade localized prostate cancer. The trial was initiated in accordance with an Investigational New Drug ("IND") application filed with the FDA and specific direction and guidance provided by the FDA in pre-IND meetings. Initial positive results from this trial were reported in 2014.

The Corporation is in the process of working towards definitive studies for this indication.

Preclinical Studies of NX-1207 for Hepatocellular Carcinoma

Preclinical studies of NX-1207 also showed positive results when given to animals with hepatocellular carcinoma ("HCC"). In the experimental studies, the cancers were significantly reduced in size after 2 local injections of NX-1207. The Corporation intends to advance NX-1207 into human clinical trials for the treatment of HCC.

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We cannot predict with any certainty whether the use of NX-1207 for any oncological indication will successfully complete preclinical testing, whether government regulatory agencies, such as the FDA, will permit such products to proceed to human trials, or whether ultimately the use of NX-1207 for any such indications will be granted approval for sale and marketing in the U.S., Canada, or elsewhere in the world. The development of cancer therapeutics in particular is associated with high risks and many uncertainties and a drug candidate that shows efficacy in pre-clinical testing and in animal models may fail in human trials or take a long period (7 years or more) to achieve regulatory approval.

Research and Development of New Products

New Therapeutics for Alzheimer's disease

Nymox has a number of proprietary drug development programs aimed at treatments for Alzheimer's disease and other indications including research on. NTP and its role in the extensive brain cell loss associated with AD and another program based on spherons, which Nymox researchers regard as a source of senile plaques, the characteristic abnormality found in abundance in the brains of patients with AD and widely believed to play a major role in the cause and course of the illness.

At present, there is no cure for Alzheimer's disease.

Nymox's research into drug treatments for Alzheimer's disease is aimed at compounds that could arrest the progression of the disease and therefore are targeted for long term use.

New Diagnostic Products

Nymox has a number of proprietary diagnostic markers and technologies, including a patented platform for point-of-care testing, and has tests utilizing these technologies in the early stages of development. The Corporation

also owns patent rights to several novel biochemical indicators for Alzheimer's disease.

Historical Expenditures for Research and Development Activities

Since 2005, expenses have primarily related to the development and clinical trials of NX-1207, our candidate for the treatment of BPH. The breakdown of research and development costs for these periods is as follows:2014: 3,858,864; 2013: $5,698,089; 2012: $6,586,039; 2011: $6,602,148; 2010: $4,551,719; 2009: $3,043,219; 2008: $2,388,911; 2007: $3,468,273; 2006: $3,171,428; 2005: $2,292,610. The total research and development expenditures for the 1995 to 2004 period were $18,507,409. Total research and development expenditures to date, excluding stock-based compensation and depreciation expenses, are $71.153,973.

According to industry statistics, on average it takes 10 to 15 years to research, develop and bring to market a new prescription medicine in the United States. In light of the steps and complexities involved, the successful development of our product candidates is highly uncertain. Actual product timelines and costs are subject to enormous variability and are very difficult to predict. Accordingly, we cannot provide reliable estimates of the nature, timing and estimated costs of the efforts necessary to complete our programs. This is particularly the case for our programs in early stage development. The risk of failure to complete any such program is high because of uncertain feasibility and commercial viability, long lead times to program completion and potentially high costs in relation to anticipated returns. We update and change our product development programs to reflect the most recent preclinical and clinical data and other relevant information. Many of our products under development require regulatory approval before being sold. The process of obtaining such approvals is often lengthy and uncertain and requires the expenditure of substantial resources. Any failure by us to obtain, or any delay in obtaining, regulatory approvals could materially adversely affect our business. We cannot assure you that any such approvals required will be obtained on a timely basis, if at all.

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Manufacturing Arrangements

Our NicAlert™ and TobacAlert™ products kits are currently partly manufactured through out-sourcing arrangements with contract manufacturers. To date, we have not experienced any significant interruptions in the manufacture of these products and the cost of the manufacturing services has not been volatile. The manufacturing services supplied by our current contract manufacturer are not unique or unduly complicated and other contract manufacturers are available to provide similar services in the event that our current contract manufacturer fails to meet our needs.

Governmental Regulation

All our products – approved and under development - are subject to extensive government regulation in the United States and in international markets. Any changes in any national or regional legislation could have an impact on our future ability to offer or market any pharmaceutical and/or diagnostic product and thus have a negative effect on our ability to obtain reimbursement from any health insurance programs and providers.

Our therapeutic products under development by Nymox would also have to receive regulatory approval. This is a costly, lengthy and risky process. In the United States, in order for a product to be marketed, it must go through four distinct development and evaluation stages:

Product Evaluation

We must conduct preliminary studies of potential drug candidates using various screening methods to evaluate them for further testing, development and marketing.

Optimization of Product Formulation

The activities in this stage of development involve consultations between us and investigators and scientific personnel. Preliminary selection of screening candidates to become product candidates for further development and further evaluation of drug efficacy is based on research based biochemical measurements. Extensive formulation work and in vitro testing are conducted for each of various selected screening candidates and/or product candidates.

Clinical Screening and Evaluation

During this phase of development, portions of which may overlap with product evaluation and optimization of product formulation, initial clinical screening of product candidates is undertaken and full scale clinical trials commence. The FDA must approve any clinical testing on healthy subjects (Phase 1) and on patients (Phase 2 and 3).

Final Product Development

The activities to be undertaken in final product development include performing final clinical evaluations, conducting large-scale experiments to confirm the reproducibility of clinical responses, making clinical lots for any additional extensive clinical testing that may be required, performing any further safety studies required by the FDA, carrying out process development work to allow pilot scale production of the product, completing production demonstration runs for each potential product, filing new drug applications, product license applications, investigational device exemptions (and any necessary supplements or amendments) and undergoing comprehensive regulatory approval programs and processes.

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We cannot assure you that we will successfully complete the development and commercialization of any therapeutic products.

In the United States, obtaining the necessary FDA approval for any drug is a lengthy, expensive and often arduous process. We cannot predict with any certainty the amount of time the FDA will take to approve one of our drugs or even whether any such approval will be forthcoming. Similar requirements exist in many other countries.

In the United States, the FDA approval procedure is a two-step process. We must file an IND application for each product with the FDA before beginning the initial (Phase 1) clinical testing of the new drug in healthy subjects. If the FDA has not commented on or questioned the application within 30 days of its filing, initial clinical studies may begin. If, however, the FDA has comments or questions, the questions must be answered to the satisfaction of the FDA before initial clinical testing can begin. In some instances, this process could result in substantial delay and expense. Phase I studies are intended to demonstrate the functional characteristics and safety of a product.

After Phase 1 testing, we must conduct extensive clinical trials with patients in order to establish the efficacy and safety of our drug. Once we complete the required clinical testing, we expect to have to file a new drug application for FDA approval in order to market most, if not all, of our new drugs. The application is complicated and detailed and must include the results of extensive clinical and other testing, the cost of which is substantial. The FDA conducts an extensive and often lengthy review of such applications. The agency is required to review applications within 180 days of their filing, but, during the review, frequently requests that additional information be submitted. This starts the 180-day regulatory review period anew when the requested additional information is submitted and, as a result, can significantly extend the review period. Until the FDA actually approves the new drug application, there can be no assurance that the agency will consider the information requested and submitted to justify approval. The packaging and labeling of products are also subject to FDA regulation. Accordingly, it is impossible to anticipate when the FDA will approve a new drug application.

Our lead candidate is NX-1207, a treatment for BPH and for low grade localized prostate cancer. We cannot predict with any certainty what further steps may be required in order to apply for final FDA approval for this drug or whether the FDA will ultimately grant us such approval.

We must also obtain approval for our drugs or diagnostic devices from the comparable regulatory authority in other countries before we can begin marketing our product in that country. The approval procedure varies from country to country and can involve additional testing. The time required may differ from that required for FDA approval. Although there are some procedures for unified filings for certain European countries, in general each country has its own procedures and requirements, many of which are time-consuming and expensive. Thus, there can be substantial delays in obtaining required approvals from both the FDA and foreign regulatory authorities after the relevant applications are filed.

After such approvals are obtained, further delays may be encountered before the products become commercially available. If, subsequent to approval, new information becomes available concerning the safety or effectiveness of any approved product, the regulatory authority may require the labeling for the affected product to be revised or the product to be withdrawn. Our manufacturing of any approved drug must conform with the FDA's good manufacturing practice regulations which govern the production of pharmaceutical products and be subject to inspections and compliance orders.

Government regulation also affects our ability to receive an appropriate level of reimbursement for our products. Throughout the developed world, both public and private health care plans are under considerable financial and political pressure to contain their costs. The two principal methods of restricting expenditures on drugs and diagnostic products and services are to deny coverage or, if coverage is granted, to limit reimbursement. For single-payer government health care systems, a decision to deny coverage or to severely restrict reimbursement for one of our products can have an adverse effect on our business and revenues.

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In the United States, where, to a significant degree, the patient population for our products is elderly, Medicare and Medicaid are sources of reimbursement. In general, any restriction on reimbursement, coverage or eligibility under either program could adversely affect reimbursement to Nymox for products and services provided to beneficiaries of the Medicare and/or Medicaid programs. Many elderly people are covered by a variety of private health care organizations either operating private health care plans or Medicare or Medicaid programs subject to government regulation. These organizations are also under considerable financial constraints and we may not be able to secure coverage or adequate reimbursement from these organizations. Without coverage, we will have to look to the patients themselves who may be unwilling or unable to pay for the product; in turn, doctors may be reluctant to order or prescribe our products in the absence of coverage of the product for the patient.

In March 2010, the United States enacted sweeping health care reform legislation, the Patient Protection and Affordable Care Act. Important market reforms have begun and continued through full implementation in 2014. These changes may adversely affect the prices we may charge for any therapeutic drug we develop. The long-term impact of legislative changes in terms of their efficiency, effectiveness and financial viability in delivering health care services to an aging population is uncertain at present. Any legislative or regulatory actions to reduce or contain federal spending under either the Medicare or Medicaid programs could adversely affect our ability to participate in either program as a provider or supplier of services or products and the amount of reimbursement under these programs potentially available to us.

Patents and Proprietary Information

We believe that patent and trade secret protection is important to our business, and that our success will depend, in part, on our ability to obtain strong patents, to maintain trade secret protection and to operate without infringing the proprietary rights of others. The commercial success of products incorporating our technologies may depend, in part, upon our ability to obtain strong patent protection. We cannot assure you that additional patents covering new products or improvements will be issued or that any new or existing patents will be of commercial benefit or be valid and enforceable if challenged.

We pursue a policy of seeking patent protection for valuable patentable subject matter of our proprietary technology and require all employees, consultants and other persons who may have access to its proprietary technology to sign confidentiality agreements.

Nymox has issued patents in the main European markets, including Great Britain, Germany, France, Italy, The Netherlands, Sweden and Spain among others and in other countries such as Japan, Canada and Australia. These patents cover much of our current product development and technologies.

Nymox's subsidiary, Serex, has patents issued or allowed in the United States and a corresponding patents worldwide. These patents and patent applications cover such areas as Serex's proprietary diagnostic technologies and methodologies

The Corporation has issued U.S. patents and other countries covering NX-1207 that relate to the composition of the compound, its formulation and its methods of use. The earliest expiry date for these U.S. patents is in 2022. Under current U.S. laws, if NX-1207 is approved for marketing by the FDA, the product is eligible for a patent term extension of up to five years or more depending on the jurisdiction. The Corporation does not license any material patents related to NX-1207 from any third parties.

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We also rely upon trade secrets, know-how, and continuing technological advancement to develop and maintain our competitive position. We control the disclosure and use of our know-how and confidential information through agreements with the parties involved. In addition, we have confidentiality agreements with our key employees, consultants, officers and directors. There can be no assurance, however, that all confidentiality agreements will be honored, that others will not independently develop equivalent technology, that disputes will not arise as to the ownership of intellectual property, or that disclosure of our trade secrets will not occur. Furthermore, there can be no assurance that others have not obtained or will not obtain patent protection that will exclude us from using our trade secrets and confidential information. To the extent that consultants or research collaborators use intellectual property owned by others in their work with us, disputes may also arise as to the rights to related or resulting know-how or inventions.

Competition

Rapidly evolving technology and intense competition are the hallmarks of modern pharmaceutical and biotechnology industries. Our competitors include:

- Major pharmaceutical, diagnostic, chemical and biotechnology companies, many of which have financial, technical and marketing resources significantly greater than ours;

Our NicAlert™ and TobacAlert™ products face competition from clinical laboratories such as LabCorp and Quest Diagnostics which provide off-site lab testing for cotinine, the by-product of the body's breakdown of nicotine measured by NicAlert™ and TobacAlert™, and from assay suppliers, including immunoassay developers such as OraSure Technologies Inc. and Abraxis LLC, and diagnostic system manufacturers such as Roche Diagnostics, Abbott and Diagnostic Products Corporation. NicAlert™ and TobacAlert™ also face competition from distributors who supply simple yes-no smoking status tests such as NicQuick, and QuickScreen, from NicCheck™ I, an FDA-cleared smoking status test being marketed by Mossman & Associates Ltd, from SmokeScreen, a chemical color-based tobacco test being marketed by GFC Diagnostics Ltd. in the United Kingdom, and from CO monitors such as SmokeCheck.

Our treatments under development for BPH face significant competition from existing products. There are eight drugs approved for treatment of BPH: five proprietary drugs (tadalofil (Cialis®), dutasteride (Avodart®), tamsulosin (Flomax®), alfusozin (Uroxatral®), and silodosin (Rapaflo®)) a combination of two drugs (dutasteride and

tamsulosin) (Jalyn™), and four generics (finasteride, terazozin, doxazozin, and prazosin). There are a number of thermal treatments on the market designed to shrink the enlarged prostate by heating its tissue with a device inserted through the urethra (the tube leading from the bladder through the penis through which men urinate) or through the abdomen. The devices on the market use microwave energy (Prostatron®, Targis Therapy® or TherMatrx®), low level radiowaves (TUNA System®), lasers (Indigo LaserOptic Treatment System® or Laserscope GreenLight PVP™), direct heat or hot water to heat or burn away prostate tissue. A variety of surgical procedures exist to surgically reduce or remove the prostate or to widen the urethra. These include procedures to cut away prostate tissue such as TURP (transurethral resection of the prostate) and using a resectoscope with an electrical loop inserted through the penis to cut the prostate tissue. A small device used to widen the constricted urethra called a prostatic stent can also be inserted. In 2013, the FDA approved the Urolift™ system, a permanent surgical implant designed to pull back prostate tissue to improve urination in men with BPH.

Part I

ITEM 4. INFORMATION ON THE CORPORATION

Marketing

At present, we do most of our marketing ourselves. To increase our marketing, distribution and sales, we will need to enter into licensing arrangements, contract sales agreements and co-marketing deals. We cannot assure you that we will be able to enter into agreements with other companies on terms acceptable to us, that any licensing arrangement will generate any revenue for the Corporation or that the costs of engaging and retaining the services of a contract sales organization will not exceed the revenues generated.

If successfully developed and approved, we plan to market and sell our therapeutic and diagnostic products directly or through co-promotion arrangements or other licensing arrangements with third parties. In cases where we have sole or shared marketing rights, we plan to build a small, focused sales force if and when such products approach marketing approval in some markets, including Europe. Implementation of this strategy will depend on many factors, including the market potential of any products we develop as well as on our financial resources. To the extent we will enter into co-promotion or other licensing arrangements, any revenues received by us will be dependent on the efforts of third parties.

Principal Markets

The Corporation markets its products for sale principally in the United States, Canada and overseas. Set forth below is a breakdown of the Corporation's revenues by geographic market for the last three years. The revenue in 2015 includes recognition of revenue related to the upfront payment of U.S. $13.1 million received from Recordati in December 2010.

Revenue by Geographic Market

Year Ended	Canada	United States	Europe & Other	Total
2017	$ 4,926	$ 197,462	$ 21,331	$ 223,719
2016	$ 296	$ 232,319	$ 50,996	$ 283,611
2015	$ 8,125	$ 221,926	$ 2,531,214	$ 2,761,265

Property and Equipment

Nymox Pharmaceutical Corporation leases office and in St. Laurent, Quebec, Canada that comprise of approximately 3,070 square feet of leased space. A new lease was signed in November 2016 and expires in August 2018. This space is primarily used to store records including records related to clinical trials. Nymox Corporation and Serex, Inc. facilities in Hasbrouck Heights, New Jersey comprise 4,799 square feet of leased space. That lease agreement expires October 31, 2019. Nymox Pharmaceutical Corporation and its two US subsidiaries Nymox Corporation and Serex, Inc. own equipment used in research and development work. Nymox believes that its facilities in Quebec and New Jersey are adequate for its current needs and that additional space, if required, would be available on commercially reasonable terms.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

PART I

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

MANAGEMENT'S DISCUSSION AND ANALYSIS

(In US dollars)

This Management's discussion and analysis ("MD&A") comments on the Corporation's operations, performance and financial condition as of and for the years ended December 31, 2017, 2016 and 2015. This MD&A should be read together with the audited Consolidated Financial Statements and the related notes. This MD&A is dated March 26, 2018. All amounts in this report are in U.S. dollars, unless otherwise noted.

Except as otherwise indicated, all financial information contained in this MD&A and in the Consolidated Financial Statements has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Consolidated Financial Statements and this MD&A were reviewed by the Corporation's Audit Committee and were approved by our Board of Directors.

Additional information about the Corporation can be obtained on EDGAR at www.sec.gov or on SEDAR at www.sedar.com.

All figures are presented in U.S. dollars, unless otherwise stated.

Overview

We have incurred substantial operating losses since our inception due in large part to expenditures for our research and development activities. Management believes that such operating losses will continue for at least the next few years as a result of expenditures relating to research and development of our potential products.

As of December 31, 2017, we had an accumulated deficit of $145 million, and our total liabilities exceeded our total assets. Our current level of annual expenditures exceeds the anticipated revenues from sales of goods and may not be covered by additional sources of funds. Management believes that such operating losses will continue for at least the next few years because of expenditures relating to research and development of our potential therapeutic products.

Management believes that current cash balances as at December 31, 2017 and anticipated funds from product sales are not sufficient to fund substantially all its planned business operations and research and development programs over the next year. The Corporation intends to access financing through the existing stock purchase agreements or other sources of capital to fund these operations and activities for the foreseeable future.

Critical Accounting Policies

The Consolidated Financial Statements of the Corporation have been prepared under International Financial Reporting Standards as issued by the International Accounting Standards Board. The Corporation’s functional and presentation currency is the United States dollar. Our accounting policies are described in the notes to our annual audited consolidated financial statements which are included later in this report.

Operating Results

The revenues in 2015 include the recognition of revenue related to the upfront payment of 13.1 million received from Recordati in December 2010. During the first quarter of 2015, the collaborative agreement was terminated by Recordati and the results of operations included the recognition of all the remaining deferred amount of $2,508,533 at the date of termination.

PART I

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Results of Operations – 2017 compared to 2016

Net losses were $13,428,878, or $0.26 per share, for the year ended December 31, 2017, compared to $13,109,608, or $0.28 per share, for the year ended December 31, 2016. Net loss includes stock compensation charges of $6,297,178 in 2017, $9,074,044 in 2016.

Revenues

Revenues from sales of goods amounted to $223,719 for the year ended December 31, 2017, compared with $283,611 for the year ended December 31, 2016. The development of therapeutic candidates and of moving therapeutic product candidates through clinical trials is a priority for the Corporation currently. The growth of sales will become more of a priority once these candidates have reached the marketing stage. The Corporation expects that revenues will increase if and when product candidates pass clinical trials and are launched on the market.

During year 2017 and 2016, no amount was recognized as revenue relating to the upfront payment received from Recordati in December 2010 compared with $2,508,533 for the year ended December 31, 2015.

Research and Development

Research and development expenditures were $7,874,262 for the year ended December 31, 2017, compared with $6,797,768 for the year ended December 31, 2016. Research and development expenditures include costs incurred mainly for advancing Nymox's BPH and prostate cancer product candidate NX-1207 through clinical trials. Research and development expenditures also include stock compensation charges of $2,589,102 for the year ended December 31, 2017 and $4,072,474 for the year ended December 31, 2016. For the year ended December 31, 2017, an increase of $2,562,153 in clinical trial expenditures combined with a decrease of $1,483,372 in stock compensation charges contribute to the increase of expenses compared to the same period in 2016.

The Corporation expects that research and development expenditures will decrease as a result of the Corporation's U.S. BPH trial activity reduction, pending the evaluation of the data. Because of the early stage of development and the uncertainty related to the Corporation's R&D projects, it is impossible to outline the nature, timing or estimated costs of the efforts necessary to complete these projects, nor the anticipated completion dates for these projects. The facts and circumstances indicating the uncertainties that preclude us from making a reasonable estimate of the costs and timing necessary to complete projects include the risks inherent in any field trials, the uncertainty as to the nature and extent of regulatory requirements both for safety and efficacy, and the ability to manufacture the products in accordance with current good manufacturing requirements (cGMP) and in sufficient quantities both for large scale trials and for commercial use as further described in the section entitled "Risk Factors". A drug candidate that shows efficacy can take a long period (7 years or more) to achieve regulatory approval. There is also uncertainty whether we will be able to successfully adapt our patented technologies or whether any new products we develop will pass proof-of-principle testing both in the laboratory and in clinical trials, and whether we will be able to manufacture such products at a commercially competitive price. In addition, given the very high costs of development of therapeutic products, we anticipate having to partner with larger pharmaceutical companies to bring therapeutic products to market. The terms of such partnership arrangements along with our related financial obligations cannot be determined at this time and the timing of completion of the approval of such products will likely not be within our sole control.

PART I

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Marketing Expenses

Marketing expenditures were $7,628 for the year ended December 31, 2017 compared with $6,752 for the year ended December 31, 2016. The Corporation expects that marketing expenditures will increase if and when new products are launched on the market.

General and Administrative Expenses

General and administrative expenses were $5,428,248 for the year ended December 31, 2017, compared with $6,174,465 for the year ended December 31, 2016. General and administrative expenditures also include stock compensation charges of $3,708,076 for the year ended December 31, 2017 and $5,001,570 in the comparative period in 2016. The decrease of $754,918 in expenses for the year ended December 31, 2017 is primarily due to a decrease of $1,293,494 in stock compensation charges and an increase of $541,309 in professional fees compared to the same period in 2016. The Corporation expects that general and administrative expenditures will increase if and when product development leads to expanded operations.

Finance Costs

Finance costs were $193,576 for the year ended December 31, 2017, compared with $240,210 for the year ended December 31, 2016.

The Corporation incurs expenses in the local currency of the countries in which it operates, which include the United States, Canada and the Bahamas. Foreign exchange fluctuations had no meaningful impact on the Corporation’s results in 2017 or 2016.

Inflation

The Corporation does not believe that inflation has had a significant impact on its results of operations. Results of Operations – 2016 compared to 2015

Net losses were $13,109,608, or $0.28 per share, for the year ended December 31, 2016, compared to $17,893,863, or $0.48 per share, for the year ended December 31, 2015. Net loss includes stock compensation charges of $9,074,044 in 2016, $15,783,664 in 2015. The decrease in net loss for the twelve months ended December 31, 2016 compared to the same period in 2015 is primarily due to reduction in stock compensation charges. The results of operation for the years ended December 31, 2015 included the recognition of deferred revenues in the amount of $2,508,533 in 2015.

Revenues

Revenues from sales of goods amounted to $283,611 for the year ended December 31, 2016, compared with $252,732 for the year ended December 31, 2015. The development of therapeutic candidates and of moving therapeutic product candidates through clinical trials is a priority for the Corporation at this time. The growth of sales will become more of a priority once these candidates have reached the marketing stage. The Corporation expects that revenues will increase if and when product candidates pass clinical trials and are launched on the market.

For the year ended December 31, 2016, no amount was recognized as revenue relating to the upfront payment received from Recordati in December 2010 compared with $2,508,533 for the year ended December 31, 2015. The initial estimated service period of five years to recognize the upfront payment was modified, in February 2015, following the announcement, by Recordati, to interrupt the European clinical trial.

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Research and Development

Research and development expenditures were $6,797,768 for the year ended December 31, 2016, compared with $8,649,510 for the year ended December 31, 2015. Research and development expenditures include costs incurred mainly for advancing Nymox's BPH and prostate cancer product candidate NX-1207 through clinical trials. Research and development expenditures also include stock compensation charges of $4,072,474 for the year ended December 31, 2016 and $5,676,371 for the year ended December 31, 2015. The decrease in expenses for the quarter ended December 31, 2016 is mainly attributable to a reduction of $669,547 in stock compensation and a decrease of $147,620 in in clinical trial expenditures. For the year ended December 31, 2016, a decrease of $352,727 in clinical trial expenditures combined with a decrease of $1,603,897 in stock compensation charges explained the reduction of expenses compared to the same period in 2015.

The Corporation expects that research and development expenditures will decrease as a result of the Corporation's U.S. BPH trial activity reduction, pending the evaluation of the data. Because of the early stage of development and the uncertainty related to the Corporation's R&D projects, it is impossible to outline the nature, timing or estimated costs of the efforts necessary to complete these projects, nor the anticipated completion dates for these projects. The facts and circumstances indicating the uncertainties that preclude us from making a reasonable estimate of the costs and timing necessary to complete projects include the risks inherent in any field trials, the uncertainty as to the nature and extent of regulatory requirements both for safety and efficacy, and the ability to manufacture the products in accordance with current good manufacturing requirements (cGMP) and in sufficient quantities both for large scale trials and for commercial use as further described in the section entitled "Risk Factors". A drug candidate that shows efficacy can take a long period (7 years or more) to achieve regulatory approval. There is also uncertainty whether we will be able to successfully adapt our patented technologies or whether any new products we develop will pass proof-of-principle testing both in the laboratory and in clinical trials, and whether we will be able to manufacture such products at a commercially competitive price. In addition, given the very high costs of development of therapeutic products, we anticipate having to partner with larger pharmaceutical companies to bring therapeutic products to market.

The terms of such partnership arrangements along with our related financial obligations cannot be determined at this time and the timing of completion of the approval of such products will likely not be within our sole control.

Marketing Expenses

Marketing expenditures were $6,752 for the year ended December 31, 2016 compared with $9,528 for the year ended December 31, 2015. The Corporation expects that marketing expenditures will increase if and when new products are launched on the market.

General and Administrative Expenses

General and administrative expenses were $6,175,465 for the year ended December 31, 2016, compared with $11,602,216 for the year ended December 31, 2015. General and administrative expenditures also include stock compensation charges of $5,001,570 for the year ended December 31, 2016 and $10,107,293 in the comparative period in 2015. The decrease of $5,426,751 in expenses for the year ended December 31, 2016 is primarily attributable to a decrease of $5,105,723 in stock compensation charges and a decrease of $279,264 in professional fees compared to the same period in 2015. The Corporation expects that general and administrative expenditures will increase if and when product development leads to expanded operations.

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Finance Costs

Finance costs were $240,210 for the year ended December 31, 2016, compared with $233,559 for the year ended December 31, 2015. An amount of $201,756 for the year ended December 31, 2016 in interests and accretion expenses were incurred in connection with convertible notes.

The Corporation incurs expenses in the local currency of the countries in which it operates, which include the United States, Canada and the Bahamas. Foreign exchange fluctuations had no meaningful impact on the Corporation’s results in 2016 or 2015.

Liquidity and Capital Resources

Financial Position

Liquidity and Capital Resources

As of December 31, 2017, cash and receivables totaled $938,000 compared with $2,027,000 and $383,000 at December 31, 2016 and 2015, respectively. We experienced a significant increase in cash from sales of our common stock and stock subscriptions in both 2016 and 2017; however, our operating expenses have also increased during this period.

Cash and cash equivalents amounted to $851,000, $2,018,000 and $374,000 as of December 31, 2017, 2016 and 2015, respectively.

We used cash in our operating activities in the amounts of $6 million, $5 million and $4 million for the years ended December 31, 2017, 2016 and 2015, respectively.

Investing activities have been insignificant and substantially all cash flows have been provided by financing activities, specifically proceeds form the issuance of common stock.

A detailed analysis of our capital activities for the years ended December 31, 2017, 2016 and 2015 is included in the footnotes to the financial statements.

Capital disclosures

The Corporation’s objective in managing capital is to ensure a sufficient liquidity position to finance its research and development activities, general and administrative expenses, working capital and overall capital expenditures, including those associated with patents. The Corporation makes every attempt to manage its liquidity to minimize shareholder dilution when possible.

The Corporation defines capital as total equity. To fund its activities, the Corporation has followed an approach that relied almost exclusively on the issuance of common shares. Since inception, the Corporation has financed its liquidity needs primarily through private placements and, since 2003, through a financing agreement with an investment company that has been replaced annually by a new agreement with the same purchaser.

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Contractual Obligations

We have contractual obligations under long-term lease commitments for our premises in the United States of $9,998 per month until October 2020, and a short-term lease commitment for our premises in Canada of $5,170 per month until August 2018, in Bahamas of $8,048 per month until March 31, 2018. Our contractual obligations are summarized in the table below.

		Payments Due by Period		
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**
Rent for laboratory and office space	$ 400,267	$ 180,313	$ 219,954	$ -
Insurance premium installments	84,971	84,971		
Total	$ 485,238	$ 265,284	$ 219,954	$ -

Off-Balance Sheet Arrangements

The Corporation has no binding commitments for the purchase of property, equipment or intellectual property. The Corporation has no commitments that are not reflected in the statement of financial position except for operating leases and insurance premium installments.

Directors and Senior Management

Paul Averback, M.D., D.A.B.P., 67, President and Director since September 1995 and Chairman since June of 2001, is the founder of Nymox and the inventor of much of its initial technology. Prior to founding Nymox, Dr. Averback served as President of Nymox's predecessor, DMS Pharmaceuticals Inc. He received his M.D. in 1975 and taught pathology at universities, including Cambridge University, England (1977-1980), during which time he initiated his research on Alzheimer's disease. He has practiced medicine in numerous institutions as well as in private practice. Dr. Averback has published extensively in the scientific and medical literature.

Randall Lanham, Esquire, 53, has been a director since June 8, 2006. He attained his Juris Doctor from Whittier College School of Law in 1991 and a Bachelor of Science degree from the University of Delaware in 1987. Mr. Lanham has vast experience in both domestic and international corporate legal matters. Currently Mr. Lanham manages his own law office in California specializing in corporate mergers and acquisitions. In addition, Mr. Lanham has a broad base of entrepreneurial experience and currently owns and operates several small entertainment companies.

Professor David Morse, Ph.D., 61, has been a director since June 8, 2006. He is a world expert in the biochemistry, proteomics and genomics of cell function particularly as it relates to circadian regulation in single cell organisms. He received a Ph.D. from McGill University in 1984, completed a post-doctoral fellowship at Harvard University in 1989 and has been a Full Professor at the University of Montreal since 2001. He has published extensively in the peer-reviewed scientific literature, including papers in journals such as Science, Cell, Proceedings of the National Academy of Science, Journal of Biological Chemistry, and Nature. Dr. Morse has previously collaborated with Nymox scientists in research and development projects.

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. James G. Robinson, 82, CEO of Morgan Creek Productions, which for over 25 years has continued to be one of the leading and most successful independent production entities in the film business. Under Robinson's leadership, Morgan Creek has produced an assortment of highly successful and critically acclaimed feature films.

Richard Cutler, Esq. 60, is a graduate of Brigham Young University and Columbia University School of Law. Mr. Cutler has worked at several major national law firms, and in 1996, formed Cutler Law Group in Newport Beach, California and subsequently Atlanta, Georgia and Houston, Texas, a firm which specializes in corporate and securities law, as well as international business transactions.

Mr. Erik Danielsen, Chief Financial Officer, 54, is a graduate from Universite de Fribourg with a Master's in Business Law and Corporate Finance. Mr. Danielsen a former Senior Auditor for Price Waterhouse and has extensive experience in international business. Mr. Danielsen is a former Credit Suisse Equity Strategist.

Compensation

Named Executive Officers

The Summary Compensation Table and Outstanding Incentive Plan Awards tables below for Named Executive Officers summarize the total compensation paid during the Corporation's financial year ended on December 31, 2017 to the Named Executive Officers of the Corporation and all incentive plan awards outstanding at December 31, 2017 for the Named Executive Officers. The Named Executive Officers are the Corporation's Chief Executive Officer, Chief Financial Officer, and two most highly compensated executive officers.

On July 17, 2015, the Corporation approved the long-term employment agreement of Dr. Paul Averback as President and Chief Executive Officer. Dr. Averback has not taken a salary since November of 2014. The employment agreement retains the services of Dr. Averback for an initial period of seven years. Dr Averback has agreed to forgo 100% of his salary until the Company receives a significant increase in its financing to expand its operations and

execute its business plans at which time Dr. Averback will have the option to receive a cash salary or to continue the equity compensation. Dr. Averback received 3,000,000 restricted shares on July, 2015 and shall receive 250,000 restricted stock each month for the duration of the contract, totaling up to 21,000,000 restricted shares, in lieu of cash salary. The Corporation determined that a grant date for all of the restricted shares occurred on July 17, 2015 and established the fair value of each share at $1.36. The Corporation is recording the expense on a pro-rata basis and recorded an expense of $11.4 million in fiscal 2015. The unrecognized compensation cost as of December 31, 2017, which will be recognized on a pro-rata basis over the duration of the employment contract as services are performed assuming Dr. Averback continued to elect equity compensation is $7.97 million. On May 14, 2015, the CEO was also granted 5,025,000 options.

Erik Danielsen, the Chief Financial Officer received option grant totaling 250,000 options. Randall Lanham, Secretary received total 200,000 in options; James G. Robinson received 100,000; Richard Cutler received 10,000 and, David Morse received 125,000; On July 27, 2017, the Chief Financial Officer and Secretary received 200,000 and 50,000 shares as stock compensation as share-based awards. The Corporation does not have a share-based incentive plan, other than its stock option plan as described below, non-equity incentive plan or pension plan for its executive officers. The Corporation has not made any agreements or arrangements with any of its executive officers in connection with any termination or change of employment or change of control of the Corporation.

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Compensation Discussion and Analysis

The Human Resources and Compensation Committee of the Board of Directors oversees the compensation of executive officers of the Corporation. The members of the Human Resources and Compensation Committee for the financial year ended December 31, 2017 were James G. Robinson, Dr. David Morse and Richard Cutler, Esq.

The Corporation's current compensation policy for its executive officers, including the Chief Executive Officer and the Named Executive Officers, emphasizes the granting of options over base salary as a means of attracting, motivating and retaining talented individuals. Such a policy is believed to better further the Corporation's business goals by allocating more financial resources to the Corporation's ongoing product development programs. Given the current stage of the Corporation's development, the Corporation has not established and does not use formal benchmarks, performance goals, review processes or other qualitative or quantitative criteria or targets relating to the performance of the Corporation or the individual in order to determine compensation. The Corporation does not have a non-equity incentive plan or a policy of annually granting performance bonuses or salary increases to its executive officers.

The Corporation grants option-based awards to its executive officers in accordance with a stock option plan approved by the shareholders. Further details of the stock option plan are provided below. The stock option plan provides long-term incentives to the Corporation's officers and employees to advance the Corporation's product development programs towards commercialization and to enhance shareholder value. The Corporation endeavors to provide salaries and option grants that are internally equitable and that are consistent with both job performance and ongoing progress towards corporate goals. The amount of option grants is determined in part by the amount and terms of outstanding and expiring options, the experience and expertise of each executive officer and the needs of the Corporation, among other factors. The Human Resources and Compensation Committee of the Board of Directors reviews all proposals for awards of stock options to executive officers and decides on the appropriateness of the awards. In doing so, the Committee relies solely on discussion among the independent board members on the Committee without any formal pre-determined objectives, criteria or analytic processes but with a view to attracting and retaining executive officers who can help further the Corporation's business plan.

By relying on option grants as a primary means of compensating its executive officers, the Corporation's intention is to provide a direct link between corporate performance and executive compensation while maximizing shareholder value and controlling cash expenditures.

Directors

The Summary Compensation Table and Outstanding Incentive Plan Awards tables below for the directors of the Corporation summarize the total compensation paid during the Corporation's financial year ended on December 31, 2017 to the directors of the Corporation and all incentive plan awards outstanding at December 31, 2017 for the directors. One current director, Dr. Paul Averback, the President and CEO of the Corporation, is member of the senior management of the Corporation and does not receive any compensation for acting as a director. His compensation as Named Executive Officer is summarized in the summary tables for compensation and incentive plans for Named Executive Officers below.

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Summary Compensation Table: Named Executive Officers

Name and principal position	Year	Salary US$	Share based awards	Option-based awards (#)	Non-equity incentive plan compensation: Annual incentive plans	Non-equity incentive plan compensation: Long-term incentive plans	Pension value	All Other	Total US$
Dr. Paul Averback CEO and President	2017	-3	5,178,203[3]	-	-	-	-	-	$ 5,178,203
Erik Danielsen CFO[1]	2017	-1	758,000[1]	135,875[1]	-	-	-	240,000[1]	$ 1,133,875[1]
Randall Lanham General Counsel[2]	2017	-2	189,500[2]	-	-	-	-	199,950[2]	$ 389,450[2]

[1]Erik Danielsen became an Executive Officer on June 1, 2015. Mr. Danielsen receives no compensation as an individual and receives no deferred or incentive compensation. All other amounts are paid to a corporation which is a separate legal entity controlled by Mr. Danielsen.

[2] Randall Lanham became an Executive Officer on June 1, 2015. Mr. Lanham receives no compensation as an individual and receives no deferred or incentive compensation. All other amounts are paid to a corporation which is a separate legal entity controlled by Mr. Lanham.

[3]Dr Averback has waived his salary, per his employment agreement. Under the employment agreement, he receives restricted stock on a monthly basis. Refer to note 11 of Consolidated Financial Statements.

Outstanding Incentive Plan Awards as of December 31, 2017: Named Executive Officers

	Option-based Awards					
	Number of securities Underlying Unexercised Options			Option Exercise price	Option Expiration Date	Value of Unexercised In-the-money Options
Name	Total	Unvested	Vested			
Dr. Paul Averback	5,025,000	-	5,025,000	$ 1.74	05/14/25	$ -
Erik Danielsen	200,000	-	200,000	$ 1.74	05/14/25	$ -
Erik Danielsen	50,000	-	50,000	$ 2.93	01/10/2027	$ -
Randall Lanham	200,000	-	200,000	$ 1.74	05/14/25	$ -
Total	5,475,000	-	5,475,000			

Option exercise prices and the values of unexercised in-the-money options are expressed in US$. The Corporation does not have a share-based award plan.

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Summary Compensation Table: Directors

The following is a summary of director compensation for the year ended December 31, 2017:

Name	Fees Earned	Share-based awards	Option-based awards (#)	Non-equity incentive plan compensation	Pension value	All other compensation	Total ($)
David Morse	$ -	$ -	-	$ -	$ -	$ -	$ -
James Robinson	$ -	$ -	-	$ -	$ -	$ -	$ -
Richard Cutler	$ -	$ -	-	$ -	$ -	$ -	$ -

Outstanding Incentive Plan Awards as of December 31, 2017: Directors

	Option-based Awards					
	Number of securities underlying unexercised options			Option exercise	Option expiration date	Value of unexercised in-the-money
Name	Total	Unvested	Vested	price	(mm/dd/yy)	options
David Morse	125,000	-	125,000	$ 1.74	05/14/25	$ -
Richard Cutler	10,000	-	10,000	$ 1.74	05/14/25	$ -
James G. Robinson	100,000	-	100,000	$ 1.74	05/14/25	$ -
Total	235,000	-	235,000			

The options may be exercised until the expiration of the option or the date that is 90 days following the termination date, whichever occurs first.

Share Ownership

As of March 26, 2018, the number of common shares owned or controlled by directors and senior officers of the Corporation were as follows:

Name	Common Shares Owned and Controlled	Percentage of Common Shares Owned and Controlled
Paul Averback, M.D.	21,181,448	37.0%
Paul Averback, M.D., Trustee	607,031	1.1%
James G. Robinson	2,167,550	3.8%
David Morse, Ph.D.	396	0%
Erik Danielson	1,121,500	2.0%
Randall Lanham	50,000	0.1%
Total	25,127,925	44.0%

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ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Nymox has created a stock option plan for its employees, officers and directors, and for consultants. The board of directors of Nymox administers the stock option plan and authorizes the granting of options in accordance with the terms of the plan. Each option gives the individual granted the option the right to purchase a common share of the Corporation at a fixed price during a specified period of no more than ten years. The board may also make all or a portion of the options granted effective only as of a specific future date or dates. The option price must not be less than the market price of the common shares when the option is granted. The total number of shares under option to any one individual may not exceed fifteen percent of the total number of issued and outstanding common shares of the Corporation. The options may not be assigned, transferred or pledged, and expire within three months of the termination of employment or active office with the Corporation and six months of the death of the individual.

No more than 7,500,000 common shares may be under option at any time and a maximum of 7,500,000 common shares are available to be issued under the stock option plan as the result of the exercise of options. Options that expire or terminate without being exercised become available to be granted again. Material changes to the stock option plan such as the number of shares available to be optioned require shareholder approval, Since the inception of the stock option plan in 1995, 383,400 options have been exercised under the plan and 100,514 shares have been issued as a result of cashless exercises.

Board Practices

Directors are elected at each annual meeting for a term of office until the next annual meeting. Executive officers are appointed by the board of directors and serve at the pleasure of the board.

Nymox does not have written contracts with any of the directors named above. We do not have any pension plans or other type of plans providing retirement or similar benefits for directors, nor any benefits upon termination of service as a director.

Nymox’s Audit Committee consists of three directors appointed by the Board who are independent of management and who are generally knowledgeable in financial and auditing matters. The Chairman of the Audit Committee is Richard Cutler, Esq.; the other members are James G. Robinson and Dr. David Morse. The primary role of the Audit

Committee is to provide independent oversight of the quality and integrity of the accounting, auditing, and reporting practices of Nymox with a particular focus on financial statements and financial reporting to shareholders. The Committee is responsible for the appointment, compensation, and oversight of the public accounting firm engaged to prepare or issue an audit report on our financial statements. It oversees all relationships between Nymox and the auditor, including reviewing on an ongoing basis any non-audit services and special engagements that may impact the objectivity or independence of the auditors. The auditor reports directly to the Audit Committee. The Audit Committee reviews the scope and results of the audit with the independent auditors.

The Audit Committee meets at least four times a year to review with management and the independent auditors the Corporation's interim and year-end financial condition and results of operations. Its review includes an assessment of the adequacy of the internal accounting, bookkeeping and control procedures of the Corporation. The Audit Committee also has the responsibility for reviewing on an ongoing basis all material transactions between Nymox and its affiliates and other related parties such as officers, directors, other key management personnel, major shareholders and their close family members, affiliated companies or associated enterprises.

PART I

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

The Audit Committee has the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities, including the power and authority to retain and determine funding for independent counsel, accountants, or other advisors as it determines necessary to carry out its duties.

The Human Resources and Compensation Committee consists of the independent directors of the Board. The Chairman of the Committee is James G. Robinson; the other members are Richard Cutler, Esq., and Dr. David Morse. The Committee establishes and reviews overall policy and structure with respect to compensation and employment matters, including the determination of compensation arrangements for directors, executive officers and key employees of the Corporation. The Committee is also responsible for the administration and award of options to purchase shares pursuant to our share option plan.

The Corporate Governance Committee consists of the independent directors of the Board. The Chairman of the Committee is Randall Lanham, Esq.; the other members are Richard Cutler, Esq. and Dr. Paul Averback. This Committee has the general mandate of providing an independent and regular review of the management, business and affairs of Nymox, including our corporate governance. This Committee also reviews and approves director nominations to ensure each nominee meets the requisite requirements under applicable corporate and securities laws, rules and regulations and otherwise possesses the skills, judgment and independence appropriate for a director of a public corporation.

Employees

In addition to the employees in its St. Laurent and Hasbrouck Heights offices, Nymox carries out its work with the assistance of an extensive group of research collaborators, out-sourced manufacturing teams, research suppliers, research institutions, service providers and research consultants. To help carrying out its marketing, Nymox has independent medical representatives detailing its products.

In its St. Laurent and Hasbrouck Heights offices, as at December 31, 2017, the Corporation employed two persons in research and development, and one of them also responsible for administration. For the year 2016, the Corporation employed two persons in research and development and one of them is also responsible for administration. For the

year 2015, the Corporation employed six persons; for the year 2014, the Corporation employed eight persons.

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ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY INFORMATION

Major Shareholders

The following table sets out as of March 26, 2018, the number of common shares owned and controlled by Dr. Paul Averback, the President and CEO of Nymox and a member of the Nymox board of directors, and by all directors and officers as a group.

Name of Shareholder	Number of Common Shares owned by Shareholder	Percent of Class of Common Shares
Dr. Paul Averback	21,181,448	37.0%
All directors and officers as a group	24,520,894	42.86%

The above shareholders have the same voting rights as all other shareholders. The percent of class of common shares held by Dr. Paul Averback is 36.7% as of March 26, 2018.

All shareholders of Nymox stock have the same voting rights. Other than Dr. Paul Averback and the individuals above, Nymox does not know of any other shareholders that beneficially own or hold dispositive power over more than 5% of its shares.

Related Party Transactions

The Corporation did not have any related party transactions other than salaries, benefits and stock-based compensation disclosed above for the years ended December 31, 2017. 2016 and 2015. The Corporation also entered into a long-term employment agreement with its President and Chief Executive Officer.

Dividends

The Corporation has not issued dividends since inception.

Cease Trade Orders, or Bankruptcies

To the knowledge of the Corporation, no director or officer of the Corporation or shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or has been within the past 10 years, a director or officer of any other Corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied such Corporation access to any exemptions under Canadian securities legislation for a period of more than 30 consecutive days, or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of the Corporation, no director, officer or control person of the Corporation has been subject to any penalties or sanctions imposed by a court relating to U.S. or Canadian securities legislation or by a U.S. or Canadian securities regulatory authority or has entered into a settlement agreement with a U.S. or Canadian securities authority, nor has any director, officer or control person of the Corporation been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY INFORMATION

Personal Bankruptcies

To the knowledge of the Corporation, no director, officer or control person of the Corporation, nor any personal holding Corporation of any such person, has within the past 10 years, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

To the knowledge of the Corporation, there are no existing or potential material conflicts of interest between the Corporation, or subsidiary of the Corporation, and any director, officer or control person of the Corporation.

Legal Proceedings

Dismissal of Lawsuit. On November 24, 2014, Roy Sapir, a shareholder of the Corporation, filed a proposed class action suit in the United States District Court, District of New Jersey, against the Corporation and the President and the CEO of the Corporation. On February 10, 2016, the Court dismissed the lawsuit. No provision has been recognized in our financial statements for this legal proceeding.

Legal proceedings were filed before the Superior Court of the District of Montreal bearing Court file number 500-17-093342-163 on or about April 1, 2016 by the Commission des Normes du Travail against Nymox Pharmaceutical Corporation as a result of a collective dismissal of the Company’s former employees. The value of the claim amounts to $147,164.38 (plus interest). The proceedings have been suspended in order to allow time for the parties to begin settlement discussions. Chances of success on the merits cannot be presently assessed given the preliminary stages of the file (examinations on discovery to be scheduled should the suspension be lifted).

ITEM 8. FINANCIAL INFORMATION

Consolidated Financial Statements of

NYMOX PHARMACEUTICAL CORPORATION

As of December 31, 2017, 2016 and 2015