NYMOX PHARMACEUTICAL CORP
Form 6-K
March 15, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the period ended December 31, 2004

Commission File Number: 001-12033

Nymox Pharmaceutical Corporation

9900 Cavendish Blvd., St. Laurent, QC, Canada, H4M 2V2

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F __X__ Form 40-F ____

Indicate by check mark if the registrant is submitting Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(l): ___

Indicate by check mark if the registrant is submitting Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ___

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ____ No __X__

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

82-_____

CORPORATE PROFILE

Nymox Pharmaceutical Corporation is a biopharmaceutical company with three unique proprietary products on the market, and a significant R&D pipeline of drug products in development. Nymox is a leader in the research and development of products for the diagnosis and treatment of Alzheimer s disease, an affliction of more than 15 million people around the world. Nymox developed and is currently offering its

AlzheimAlert test, a nationally certified clinical reference laboratory urinary test that is the world s only accurate, non-invasive aid in the diagnosis of Alzheimer s disease. The AlzheimAlert test is certified with a CE Mark, making the device eligible for sale in the European Union. Nymox has signed a distribution deal in Italy for AlzheimAlert with Alifax S.p.A. Nymox also developed and markets NicAlert and TobacAlert ; tests that use urine or saliva to detect use of and exposure to tobacco products. NicAlert has received clearance from the U.S. Food and Drug Administration (FDA). TobacAlert is the first test of its kind to accurately measure second hand smoke exposure in individuals. The Company s TobacAlert product is presently available in CVS / Pharmacy stores across the U.S.

Nymox is developing NX-1207, a novel treatment for benign prostatic hyperplasia. NX-1207 has shown statistically significant positive results in Phase 1 and 2 clinical trials in the U.S. NX-1207 is currently in Phase 2 human testing in the US. Nymox also has several other drug candidates and diagnostic technologies in development. Nymox has U.S. and global patent rights for the use of statin drugs for the treatment and prevention of Alzheimer s disease. The Company is developing new antibacterial agents for the treatment of urinary tract and other bacterial infections in humans and for the treatment of E. coli O157:H7 contamination in meat and other food and drink products. Nymox also is developing drug treatments aimed at the causes of Alzheimer s disease. One program targets spherons, which Nymox researchers believe are a source of the senile plaques found in the brains of patients with Alzheimer s disease. Another distinct program targets the brain protein (neural thread protein) detected by its AlzheimAlert test and implicated in widespread brain cell death seen in Alzheimer s disease.

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CORPORATE INFORMATION

Directors & Corporate Officers

Paul Averback, M.D., D.A.B.P	- C.E.O., President and Chairman
Roy M. Wolvin	- Secretary-Treasurer
Jack Gemmell, LL.B	- General Counsel and Director
Brian Doyle, B.Sc., M.B.A	- Senior Manager, Global Sales and Marketing
Hans Black, M.D	- Director
Michael Sonnenreich, J.D	- Director
Prof. Walter von Wartburg	- Director
Auditors	KPMG LLP
Legal Counsel	Foley & Lardner
Transfer Agent	Computershare Investor Services
Bankers	CIBC / Bank of America
Stock Exchange Listings	The NASDAQ Stock Market
Stock Trading Symbol	NASDAQ - NYMX

Operating Facilities	230 West Passaic St. Maywood, NJ, USA, 07607 9900 Cavendish Blvd. St.-Laurent, PQ, Canada H4M 2V2
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MESSAGE TO SHAREHOLDERS

Nymox is pleased to present its audited financial statements for its fiscal year ended December 31, 2004.

On January 26, Nymox reported that the Company had concluded the first two Phase 1 and Phase 1-2 U.S. clinical trials of NX-1207, the Company s investigational new drug for benign prostatic hyperplasia (BPH). The studies confirmed the good safety profile of NX-1207.

On July 14, Nymox announced that the new clinical trial protocol for the Company s investigational new drug NX-1207 for benign prostatic hyperplasia had been found acceptable by the FDA.

On July 28, Nymox released data from Phase 1-2 U.S. clinical trials of NX-1207. Subjects were administered BPH symptom score rating scales (American Urological Association, AUA BPH Symptom Score) over the course of one month, during treatment with NX-1207. The AUA BPH symptom score measurement includes data on 1) sensations of incomplete emptying of the bladder; 2) need to urinate frequently; 3) stopping and starting during urination; 4) urgent need to urinate; 5) weakness of urinary stream; 6) need to push or strain during urination; and 7) urination during sleep (nocturia). At one month, the subjects treated with NX-1207 showed overall mean symptom improvement of 6.87 points (compared to 0.5 for controls), which was statistically significant (p=.0352). A total of 20 men with BPH aged 45-65 were in the trials which evaluated the effect of NX-1207 over a period of 30 days. The trials were designed to include only the more difficult cases of subjects who did not respond to optimal medical therapy. Patients were assessed for the drug effect on symptoms (such as frequent urination, urination at night, difficulty with urination, etc.) and for the drug effect on prostate size measurements. Overall there was a highly significant improvement in symptom scores and shrinkage in prostate size in the 30 day studies. Prostate size reduction also reached statistical significance, at the p=.035 level. There were no significant adverse side effects from the drug in these trials.

On September 8, Nymox announced one year follow-up results from Phase 2 testing of NX-1207. The trial data indicated that at one year s follow-up, there was symptomatic improvement in the individuals treated with NX-1207. Patients in the trial of NX-1207 were administered AUA Symptom Score evaluations after one year. The mean AUA score in patients treated with NX-1207 showed an 8.8 point improvement compared to controls. This reached statistical significance and exceeded results from the most recent Phase 1-2 30 day study of NX-1207 reported by Nymox earlier in 2004. In the latter study there was a 6.9 point improvement in AUA score.

On March 17, Nymox announced that NXC-4720, its product for E.coli O157:H7 meat contamination, has made further milestones in product development. NXC-4720 has shown impressive efficacy in further independent testing protocols. On October 7, Nymox announced the signing of a licensing agreement with Health Canada for the licensing of patent rights and technology for the treatment of deadly *E. coli* O157:H7 bacteria in cattle. Health Canada is the Canadian government health department. The licensing agreement is part of a collaboration with Dr. Roger Johnson and the Laboratory for Foodborne Zoonoses in Guelph, Ontario for the research and development of novel animal and related treatments for *E. coli* 0157:H7, a bacteria implicated in contamination of meat products and of drinking water supplies.

On February 18, Nymox announced that it had filed a Premarket Approval application (PMA) with the FDA for the Company s Alzheimer urine test (AlzheimAlert).

On November 4, Nymox announced that it had filed an amendment to its Premarket Approval application (PMA) for the Company s urine NTP test kit with the FDA. The PMA amendment was filed in response to the Company s discussions and meetings with the FDA over the summer and was designed to meet the specific concerns raised by the FDA in our original filings. The urine NTP test kit is a kit version of the Company s AlzheimAlert test and is designed for sale to clinical laboratories and hospitals for on-site testing of patient urine samples using the kit.

On November 8, Nymox announced the certification of its AlzheimAlert test kit with a CE Mark, making the device eligible for sale in the European Union. The Company announced that it had fulfilled the required regulations which will allow European clinical and hospital laboratories to perform the AlzheimAlert test in their own facilities in Europe. Under the European IVD Directive, certain products must meet regulatory requirements in order to qualify for sale and distribution in the European Union. The CE Marking indicates that a product complies with EU safety, environmental, and quality standards. Nymox has satisfactorily completed the testing and registration required to obtain CE Marking for the AlzheimAlert test kit device. The AlzheimAlert test is presently registered for sale in 21 countries in the EU. A distribution agreement was signed in February, 2005 with Alifax S.p.A. for Italy.

On December 2, Nymox announced that it had filed a further amendment to its Premarket Approval application (PMA) for the Company s urine NTP test kit with the FDA. The new PMA amendment was filed in response to the remaining requirements from the Company s meetings and discussions with the FDA.

On June 29, Nymox announced that a new study published in the *Journal of Alzheimer s Disease* (*J Alzheimers Dis.* June, 2004; 6(3):231-42) had reported finding important new evidence linking neural thread protein (NTP), the brain protein measured by the company s proprietary urine AlzheimAlert test, to impaired insulin functioning and accelerated death in brain cells. Previous published studies have found that NTP was elevated in the brain tissue, cerebrospinal fluid and urine of Alzheimer s disease patients and have shown that increased NTP production is associated with many of the characteristic signs of cell death and changes found in Alzheimer s disease (AD). Other unrelated published studies have found evidence that impaired insulin functioning may play an important role in AD. The new study conducted by Drs. Suzanne de la Monte and Jack Wands of Brown University provided new evidence that increased NTP production kills brain cells by interfering with the insulin signaling they require for normal functioning and setting off a cascade of changes, leading to cellular and protein dysfunctions characteristic of Alzheimer s disease and to increased cell death.

Nymox holds U.S. and global patent rights for the use of statins for the prevention and treatment of AD. The importance of Nymox s patent rights for statin use in Alzheimer s disease has been highlighted by recently published medical studies. What is more, the findings of recent studies have shown that the use of statin drugs is associated with dramatic reduction in the incidence of Alzheimer s Disease (AD). Patients taking cholesterol lowering statin drugs had a 39% lower risk of acquiring Alzheimer s disease (AD) according to a study published in *Neuroepidemiology* (Zamrini E, McGwin G, Roseman JM; Association between statin use and Alzheimer s disease, 2004 Jan-Apr;23:94-8). The study by a team of researchers at the School of Medicine, University of Alabama at Birmingham examined the medical records of over 3,300 patients at a Veterans Affairs Medical Center over a four year period. The study found a statistically significant reduction in AD risk in statin users. Lowering cholesterol may reduce the risk of acquiring Alzheimer s disease (AD) according to scientific and clinical studies in this area published in the January 8th issue of *Neuron* (*Neuron* 2004; 41:7-10). The review states that studies indicate that there is up to a 70% lower prevalence and incidence of AD in subjects taking statins. Researchers at the University of Edinburgh and the University of Aberdeen studied 478 80-year old individuals. The authors concluded that statins appear promising in preventing cognitive decline in older people . The new study is published in the *International Journal of Geriatric Psychiatry* (Starr JM, McGurn B, Whiteman M, Pattie A, Whalley LJ, Deary IJ, Life long changes in cognitive ability are associated with prescribed medications in old age, *Int J Ger Psy* April, 2004;19:327-32).

Statin drugs for Alzheimer s disease were featured in an article written by Gina Kolata of the New York Times. The New York Times article stated, Dr. Wolozin examined the records of 56,790 patients at three hospitals. The results exceeded his wildest hopes. Those who were taking statins had a 70 percent reduction in the prevalence of Alzheimer s. A few months later, Dr. Hershel Jick of the Boston University School of

Medicine and his colleagues reported in The Lancet that they had compared 284 patients with Alzheimer s to 1,080 people with no dementia. In the patients who had taken statins, the scientists found, the risk of Alzheimer s was reduced by 70 percent. Two other groups reproduced the observations. Other researchers found that statins protected genetically engineered mice that normally developed brain changes like those found in Alzheimer s. An article in *Fortune* magazine (August 9, 2004) highlighted the strong future for statins, including the possibilities of use in AD. According to a lead story in the September 13 2004 issue of *Physician s Weekly*, there is now considerable epidemiological evidence suggesting that statins, a class of widely prescribed cholesterol-lowering drugs, can reduce risk of Alzheimer s disease and possibly slow its progression. The story, Statins: The Emerging Indications, outlines the encouraging evidence and notes that further large trials studying statins and Alzheimer s disease are now in progress. *Physician s Weekly* is a weekly medical news publication widely distributed to major American hospitals and estimated to be read by over 200,000 physicians. The statin drug patent has generated interest among prospective partners for the Company.

On April 22, Nymox announced significant new progress in the Company s spheron developments for Alzheimer s Disease (AD). Spherons are masses of protein and toxins, discovered by Nymox scientists, and closely associated with the brain plaques and cell death found in AD. Human AD tissue measurements in different brain regions have newly been found to show unique spheron cellular fingerprints by extensive sensitive measurement techniques. The findings strongly bolster the Nymox AD product development work based on spheron biology. Nymox researchers have elucidated spheron biology, extracted spherotoxin molecules, and have developed proprietary models for spheron based drug programs (for reference examples, see *Drug News and Perspectives* 11, 8, 469-499; *Alzheimer s Reports* 5, 3, 177-184).

On September 22, Nymox announced that the Company s clinical and scientific programs continue to generate a broadening array of new product developments. The Company pursues an aggressive patenting strategy to protect and expand upon its proprietary products, product development and drug discovery and diagnostic technology platforms. Currently Nymox and its subsidiaries have several hundred patents and patent applications in the U.S. and other countries around the world.

On October 22, Nymox announced that it had received notice of issuance of a new U.S. patent for a unique method and device for using saliva to determine cholesterol levels. Elevated cholesterol is a well-known major risk factor for heart disease, the leading cause of death in the U.S., and has been implicated as a risk factor for such other diseases as stroke, diabetes, and Alzheimer s disease. The National Heart, Lung and Blood Institute of the NIH recommends routine screening for elevated cholesterol levels. The cholesterol testing market in the U.S. is estimated to be at over 200 million tests a year and is projected to rise as the baby boom generation ages.

On June 30, Nymox announced that its tobacco exposure tests have been recently featured in the Australian media as reporters put the products to the test as part of the ongoing debate in Australia over tobacco smoking in pubs, restaurants and other public places. Nymox s TobacAlert product was used to measure levels of second-hand smoke exposure in volunteers sent to Melbourne, Australia s smoky pubs and other public places according to a June 26, story in *The Sunday Herald Sun*. Volunteers and pub workers exposed to second-hand smoke registered a positive TobacAlert reading; those with a higher level of exposure to second-hand smoke had a corresponding higher TobacAlert reading. The *Herald Sun*, published in Melbourne, is Australia s biggest-selling daily newspaper. In another development (May 21, 2004), the Western Australian branch of the Australian Medical Association has made the product available as part of its campaign against second-hand smoke. The *West Australian*, a newspaper based in Perth, Australia, reported on the results of testing non-smoking medical students after just one hour of exposure in a suburban hotel in Perth; many tested positive for second-hand smoke, using Nymox tobacco exposure products. Perth television also televised the story.

On September 29, Nymox filed a Form 6K with the SEC detailing the stock purchases of the Company s management and directors. As detailed in the filing, directors and management had sold no stock and had personally bought a total of 230,475 shares of Nymox in the open market since December 20, 2000.

On October 21, Nymox announced that CVS, a leading retail pharmacy chain, will be making the Company s TobacAlert product available in 5,400 CVS pharmacy stores across the U.S. CVS is America s number one retail pharmacy, with 5,400 stores. Before the nation-wide rollout, CVS has been offering TobacAlert through selected stores as well as online at www.cvs.com.

We wish to thank our over 4,000 shareholders for their valued strong support. The Nymox team has confidence in the Company s drugs, medical products, projects and technologies, and we welcome the important challenges ahead.

/s/ Paul Averback, MD

Paul Averback, MD
President

March 15, 2005

MANAGEMENT S DISCUSSION AND ANALYSIS
(in US dollars)

The following discussion should be read in conjunction with the consolidated financial statements of the Company.

Overview

The business activities of the Company since inception have been devoted principally to research and development. Accordingly, the Company has had limited revenues from sales and has not been profitable to date. We refer to the Corporate Profile for a discussion of the Company s research and development projects and its product pipeline. We refer to the Risk Factors section of our 20F filed on EDGAR for a discussion of the management and investment issues that affect the Company and our industry.

Critical Accounting Policies

In December 2001, the Securities and Exchange Commission (SEC) released Cautionary Advice Regarding Disclosure About Critical Accounting Policies . According to the SEC release, accounting policies are among the most critical if they are, in management s view, most important to the portrayal of the company s financial condition and most demanding on their calls for judgement.

Our accounting policies are described in the notes to our annual audited consolidated financial statements. We consider the following policies to be the most critical in understanding the judgements that are involved in preparing our financial statements and the matters that could impact our results of operations, financial condition and cash flows.

Revenue Recognition

The Company has generally derived its revenue from product sales, research contracts, license fees and interest. Revenue from product sales is recognized when the product or service has been delivered or obligations as defined in the agreement are performed. Revenue from research contracts is recognized at the time research activities are performed under the agreement. Revenue from license fees, royalties and milestone payments is recognized upon the fulfillment of all obligations under the terms of the related agreement. These agreements may include upfront payments to be received by the Corporation. Upfront payments are recognized as revenue on a systematic basis over the period that the related services or obligations as defined in the agreement are performed. Interest is recognized on an accrual basis. Deferred revenue presented in the balance sheet represents amounts billed to and received from customers in advance of revenue recognition.

The Company currently markets AlzheimAlert as a service provided by our CLIA certified reference laboratory in New Jersey. Physicians send urine samples taken from their patients to our laboratory where the AlzheimAlert test is performed. The results are then reported back to the physicians. We recognize the revenues when the test has been performed. The Company sometimes enters into bulk sales of its diagnostic services to customers under which it has a future obligation to perform related testing services at its laboratory. Although the Company receives non-refundable upfront payments under these agreements, revenue is recognized in the period that the Company fulfils its obligation or over the term of the arrangement. For research contracts and licensing revenues, the Company usually enters into an agreement specifying the terms and obligations of the parties. Revenues from these sources are only recognized when there are no longer any obligations to be performed by the Company under the terms of the agreement.

Valuation of Capital Assets

The Company reviews the unamortized balance of property and equipment, intellectual property rights and patents on an annual basis and recognizes any impairment in carrying value when it is identified. Factors we consider important, which could trigger an impairment review include:

Significant changes in the manner of our use of the acquired assets or the strategy for our overall business; and

Significant negative industry or economic trends.

Valuation of Future Income Tax Assets

Management judgement is required in determining the valuation allowance recorded against net future tax assets. We have recorded a valuation allowance of $11.1 million as of December 31, 2004, due to uncertainties related to our ability to utilize some of our future tax assets, primarily consisting of net operating losses carried forward and other unclaimed deductions, before they expire. In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income and tax planning strategies. The generation of future taxable income is dependent on the successful commercialization of its products and technologies.

Results of Operations 2004

Selected Annual Information	**2004**	**2003**	**2002**
Total Revenues	$ 321,948	$ 200,132	$ 361,748
Net Loss	$ (3,745,625)	$ (4,354,288)	$ (3,412,609)
Loss per share (basic & diluted)	$ (0.15)	$ (0.18)	$ (0.15)
Total Assets	$ 4,066,021	$ 4,002,862	$ 4,358,657

Quarterly Results 2004	**Q1**	**Q2**	**Q3**	**Q4**
Total Revenues	$ 58,255	$ 82,999	$ 102,325	$ 78,369
Net Loss	$ (963,782)	$ (1,142,540)	$ (695,031)	$ (944,272)
Loss per share (basic & diluted)	$ (0.04)	$ (0.05)	$ (0.03)	$ (0.04)

Quarterly Results 2003	**Q1**	**Q2**	**Q3**	**Q4**
Total Revenues	$ 34,027	$ 75,698	$ 58,416	$ 31,991
Net Loss	$ (928,490)	$ (1,122,889)	$ (847,163)	$ (1,455,746)
Loss per share (basic & diluted)	$ (0.04)	$ (0.05)	$ (0.04)	$ (0.06)

Results of Operations 2004 compared to 2003

Net losses were $944,272, or $0.04 per share, for the quarter and $3,745,625, or $0.15 per share, for the year ended December 31, 2004, compared to $1,455,746, or $0.06 per share, and $4,354,288, or $0.18 per share, respectively, for the corresponding periods in 2003. The weighted, diluted, average number of common shares outstanding for the year ended December 31, 2004 were 25,103,252 compared to 23,771,858 for the same period in 2003.

Revenues

Revenues from sales amounted to $78,369 for the quarter and $321,895 for the year ended December 31, 2004, compared with $31,991 for the quarter and $199,217 for the year ended December 31, 2003. A steady rise in the number of new clients ordering the NicAlert / TobacAlert product account for the increase in sales. The Company anticipates that revenues will increase if and when product candidates pass regulatory milestones and are launched on the market.

Research and Development

Research and development expenditures were $1,861,239 for the year ended December 31, 2004, compared with $2,510,051 for the year ended December 31, 2003. In 2004, research tax credits amounted to $9,358 compared to $33,019 in 2003. Corporate activities in 2004 were more focused on clinical trials and submissions to regulatory agencies, which explain the decrease in R&D expenditures and tax credits. The Company anticipates that research and development expenditures will not increase significantly as product candidates finish development and clinical trials.

Marketing Expenses

Marketing expenditures were $307,649 for the year ended December 31, 2004, in comparison to expenditures of $197,435 for the year ended December 31, 2003. Increased marketing of our products accounts for the rise in expenditures. The Company anticipates that marketing expenditures will increase if and when new products are launched on the market.

Administrative Expenses

General and administrative expenses were $1,158,750 for the year ended December 31, 2004, compared with $1,311,311 in the year ended December 31, 2003 due to a decrease in professional fees. The Company anticipates that general and administrative expenditures will increase as new product development leads to expanded operations.

Foreign Exchange

The Company incurs expenses in the local currency of the countries in which it operates, which include the United States and Canada. Approximately 75% of 2004 expenses (70% in 2003) were in U.S. dollars. Foreign exchange fluctuations had no meaningful impact on the Company s results in 2004 or 2003.

Inflation

The Company does not believe that inflation has had a significant impact on its results of operations.

Long-Term Commitments

Nymox has no financial obligations of significance other than long-term lease commitments for its premises in the United States and Canada of $18,672 per month.

Contractual Obligations	Total	Current	1-3 years	4-5 years
Rent	$ 97,091	$ 97,091	$ 0	$ 0
Operating Leases	$ 32,479	$ 11,481	$ 19,432	$ 1,566
Other Long Term Obligations	$ 0	$ 0	$ 0	$ 0
Total Contractual Obligations	$ 129,570	$ 108,572	$ 19,432	$ 1,566

Results of Operations 2003 compared to 2002

Net losses were $1,455,746, or $0.06 per share, for the quarter and $4,354,288, or $0.18 per share, for the year ended December 31, 2003, compared to $886,333, or $0.03 per share, and $3,412,609, or $0.15 per share, respectively, for the corresponding periods in 2002. The weighted, diluted, average number of common shares outstanding for the year ended December 31, 2003 were 23,771,858 compared to 22,965,668 for the same period in 2002.

Revenues

Revenues from sales amounted to $31,991 for the quarter and $199,217 for the year ended December 31, 2003, compared with $50,058 for the quarter and $356,162 for the year ended December 31, 2002. The reduction in marketing expenditures (due to regulatory tasks and trials associated with the kit format of the products) accounted for the reduction in revenues for AlzheimAlert (decrease 39%) and for NicAlert (decrease 43%) in 2003.

Research and Development

Research and development expenditures were $2,510,051 for the year ended December 31, 2003, compared with $1,706,086 for the year ended December 31, 2002. The increase is attributable to higher spending in the development of the therapeutic products in the Company s pipeline. In 2003, research tax credits amounted to $33,019 compared to $16,656 in 2002. The rise is due to an increase in the expenses admissible for government tax credits.

Marketing Expenses

Marketing expenditures were $197,435 for the year ended December 31, 2003, in comparison to expenditures of $235,925 for the year ended December 31, 2002. The decrease is attributable to planned reduced costs relating to marketing agreements.

Administrative Expenses

General and administrative expenses were $1,311,311 for the year ended December 31, 2003, compared with $1,230,439 in the year ended December 31, 2002 due to increased professional fees.

Financial Position

Liquidity and Capital Resources

As of December 31, 2004, cash totaled $529,642 and receivables including tax credits totaled $93,794. In August 2003, the Corporation signed a new common stock private purchase agreement, whereby an investor is committed to purchase up to $12 million of the Corporation s common shares over a twenty-four month period commencing August 25, 2003. As at September 30, 2004, twelve drawings were made under this purchase agreement, for total proceeds of $4,350,000. Specifically, on September 30, 2003, 204,918 common shares were issued at a price of $2.44 per share. On October 21, 2003, 182,203 common shares were issued at a price of $2.36 per share. On December 8, 2003, 106,383 common shares were issued at a price of $2.82 per share. On December 22, 2003, 109,091 common shares were issued at a price of $2.75 per share. On January 14, 2004, 102,041 common shares were issued at a price of $3.92 per share. On February 27, 2004, 69,284 common shares were issued at a price of $4.33 per share. On March 10, 2004, 100,402 common shares were issued at a price of $4.98 per share. On April 30, 2004, 92,807 common shares were issued at a price of $4.31 per share. On June 22, 2004, 69,444 common shares were issued at a price of $2.88 per share On July 7, 2004, 140,056 common shares were issued at a price of $3.57 per share. On August 3, 2004, 130,990 common shares were issued at a price of $3.13 per share. On September 27, 2004, 52,885 common shares were issued at a price of $2.08 per share.

The Company negotiated a new agreement with the same investor on October 6, 2004, under the same terms and conditions of the previous agreement. The Company can draw down $13,000,000 over 24 months under the new agreement. As at December 31, 2004, three drawings were made under this purchase agreement, for total proceeds of $850,000. On October 25, 2004, 95,238 common shares were issued at a price of $2.10 per share. On December 14, 2004, 148,699 common shares were issued at a price of $2.69 per share. On December 22, 2004, 78,616 common shares were issued at a price of $3.18 per share. The Company can draw down a further $12,150,000 over the remaining 21 months under the agreement. The Company intends to access financing under this agreement when appropriate to fund its research and development. The Company believes that funds from operations as well as from existing financing agreements will be sufficient to meet the Company s cash requirements for the next twelve months.

This message contains certain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate and the actual results and future events could differ materially from management s current expectations. Such factors are detailed from time to time in Nymox s filings with the Securities and Exchange Commission and other regulatory authorities.

MANAGEMENT S REPORT

The accompanying consolidated financial statements have been prepared by management and were approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and other sections of this Annual Report. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. Reconciliation to U.S. GAAP is presented in Note 12 to the Consolidated Financial Statements. In preparing these consolidated financial statements, management selects appropriate accounting policies and uses its judgement and best estimates to report events and transactions as they occur. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Financial data included throughout this Annual Report is prepared on a basis consistent with that of the financial statements.

To assist management in discharging these responsibilities, the Company maintains a system of internal controls which are designed to provide reasonable assurance that its assets are safeguarded, that transactions are executed in accordance with management s authorization and that the financial records form a reliable base for the preparation of accurate and timely financial information.

KPMG LLP, the Company s auditors, are appointed by the shareholders. They independently review the Company s system of internal controls and perform the necessary tests of accounting records and procedures to enable them to report their opinions as to the fairness of the

consolidated financial statements and their conformity with generally accepted accounting principles.

The Board of Directors ensures that the management fulfills its responsibilities for financial reporting and internal control. The Board exercises this responsibility through an Audit Committee composed of three independent Directors. The Audit Committee meets periodically with management and with the external auditors, to review audit recommendations and any matters, which the auditors believe, should be brought to the attention of the Board of Directors. The Audit Committee also reviews the consolidated financial statements and recommends to the Board of Directors that the statements be approved for issuance to the shareholders.

/s/ Paul Averback, MD

Paul Averback
Chief Executive Officer &
President

/s/ Roy Wolvin

Roy Wolvin
Chief Financial Officer
& Secretary-Treasurer

February 18, 2005

Consolidated Financial Statements of

NYMOX PHARMACEUTICAL CORPORATION

Years ended December 31, 2004, 2003 and 2002

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AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheets of Nymox Pharmaceutical Corporation as at December 31, 2004 and 2003 and the consolidated statements of operations, deficit and cash flows for each of the years in the three-year period ended December 31, 2004. These financial statements are the responsibility of the Corporation s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2004 and 2003 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2004, in accordance with Canadian generally accepted accounting principles.

(Signed) KPMG LLP

Chartered Accountants

Montréal, Canada

February 18, 2005 (except as to note 15 (b),
which is as of February 22, 2005)

NYMOX PHARMACEUTICAL CORPORATION

Consolidated Financial Statements

Years ended December 31, 2004, 2003 and 2002

Financial Statements

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NYMOX PHARMACEUTICAL CORPORATION

Consolidated Balance Sheets

December 31, 2004 and 2003
(in US dollars)

	2004	2003
Assets		
Current assets:		
Cash	$ 529,642	$ 605,603
Accounts receivable	51,417	27,503
Research tax credits receivable	42,377	33,019
Inventories	31,499	66,547
Prepaid expenses and deposit	44,139	15,000
	699,074	747,672
Long-term security deposit	--	17,500
Long-term receivables (note 6)	70,000	70,000
Property and equipment (note 3)	25,348	133,161
Patents and intellectual property (note 4)	3,271,599	3,034,529
	$ 4,066,021	$ 4,002,862
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 1,274,447	$ 1,119,675
Accrued liabilities	150,652	98,559
Notes payable (note 5)	600,000	500,000
Deferred revenue	28,535	5,930
	2,053,634	1,724,164
Non-controlling interest (note 6)	800,000	800,000
Shareholders' equity:		
Share capital (note 7)	36,553,350	32,503,600
Warrants and options (note 7 (f))	55,384	336,438
Additional paid-in capital (note 7 (f))	554,921	85,200

Deficit	(35,951,268)	(31,446,540)
	1,212,387	1,478,698
Commitments and contingencies (note 8) Subsequent events (note 15)		
	$ 4,066,021	$ 4,002,862

See accompanying notes to consolidated financial statements.

On behalf of the Board:

/s/ Paul Averback, MD Director

/s/ Hans Black, MD Director

NYMOX PHARMACEUTICAL CORPORATION

Consolidated Statements of Operations

Years ended December 31, 2004, 2003 and 2002
(in US dollars)

	2004	2003	2002
Revenues:			
Sales	$ 321,895	$ 199,217	$ 356,162
Interest	53	915	5,586
	321,948	200,132	361,748
Expenses:			
Research and development	1,861,239	2,510,051	1,706,086
Less research tax credits	(9,358)	(33,019)	(16,656)

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