

novocure™

Novocure (NVCR) q1 2017 results

April 27, 2017

patientforward



forward-looking statements

This presentation contains certain forward-looking statements with respect to the business of Novocure and certain of its plans and objectives, including with respect to the development and commercialization of its lead product candidate, Optune, for a number of oncology indications. These forward-looking statements can be identified in this presentation by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words “expect”, “intend”, “anticipate”, “plan”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by Novocure in light of industry experience and perception of historical trends, current conditions, expected future developments and other appropriate factors. By their nature, forward-looking statements involve risk and uncertainty, and Novocure's performance and financial results could differ materially from those expressed or implied in these forward-looking statements due to general financial, economic, regulatory and political conditions as well as more specific risks and uncertainties facing Novocure such as those set forth in its Annual Report on Form 10-K filed on February 23, 2017, or in subsequent quarterly filings with the U.S. Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation. Novocure assumes no obligation to update or correct the information contained in this presentation, whether as a result of new information, future events or otherwise, except to the extent legally required.

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As of the date of this presentation, Optune is only FDA-approved for glioblastoma, or GBM, and its approval for other indications is not certain. Novocure can provide no assurances regarding market acceptance of Optune or its successful commercialization, and can provide no assurances regarding the company's results of operations or financial condition in the future. This presentation is for informational purposes only and may not be relied upon in connection with the purchase or sale of any security.

three strategic objectives



Drive commercial adoption of Optune



Advance the clinical pipeline



Focus on improving operating leverage

ongoing clinical trials

	PRE-CLINICAL	PHASE 2 PILOT	PHASE 3 PIVOTAL	EXPECTED NEXT MILESTONE
INDICATIONS				
Brain Metastases				METIS trial last patient in 2019 with final data collection in 2020
NSCLC				LUNAR trial last patient in 2019 with final data collection in 2021
Pancreatic Cancer				phase three pivotal trial first patient in 2H 2017
Ovarian Cancer				phase three pivotal trial first patient in 2018
Mesothelioma				STELLAR trial final data collection in 2018

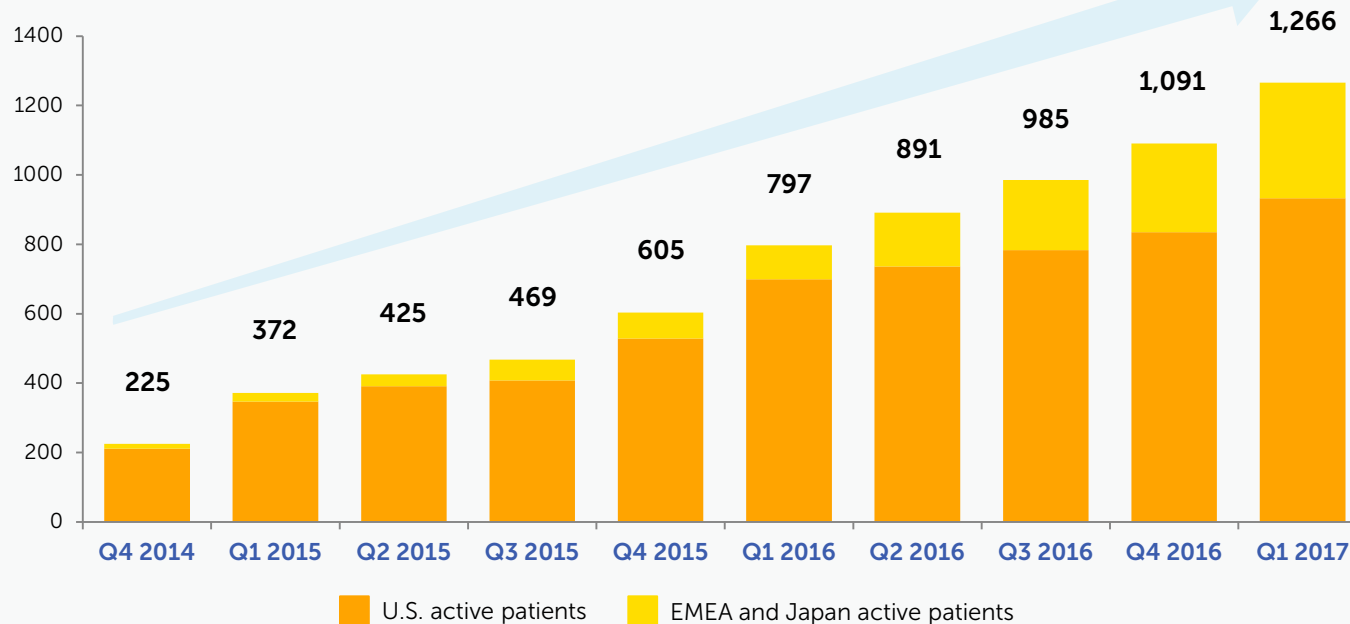
q1 2017 operating statistics

	Q1 2017	Q1 2016	% GROWTH	Q4 2016	% GROWTH
Prescriptions	894	755	18%	706	27%
United States	685	684	0%	544	26%
Germany, Switzerland and other EMEA Markets	206	71	190%	162	27%
Japan	3	-	N/A	-	N/A
Active patients at period end	1,266	797	59%	1,091	16%
United States	933	699	33%	835	12%
Germany, Switzerland and other EMEA Markets	331	98	238%	256	29%
Japan	2	-	N/A	-	N/A

- Growth driven primarily by commercial activities in our active markets and enhanced awareness of Optune following the presentation of the long-term analysis of our EF-14 phase 3 pivotal trial results at the *Society for Neuro-Oncology* annual meeting in November 2016
- Year-over-year increase in active patients driven by prescription growth, by new patient starts and by an increase in the percentage of newly diagnosed GBM patients who started Optune in prior periods

active patient growth

global active patients at period end

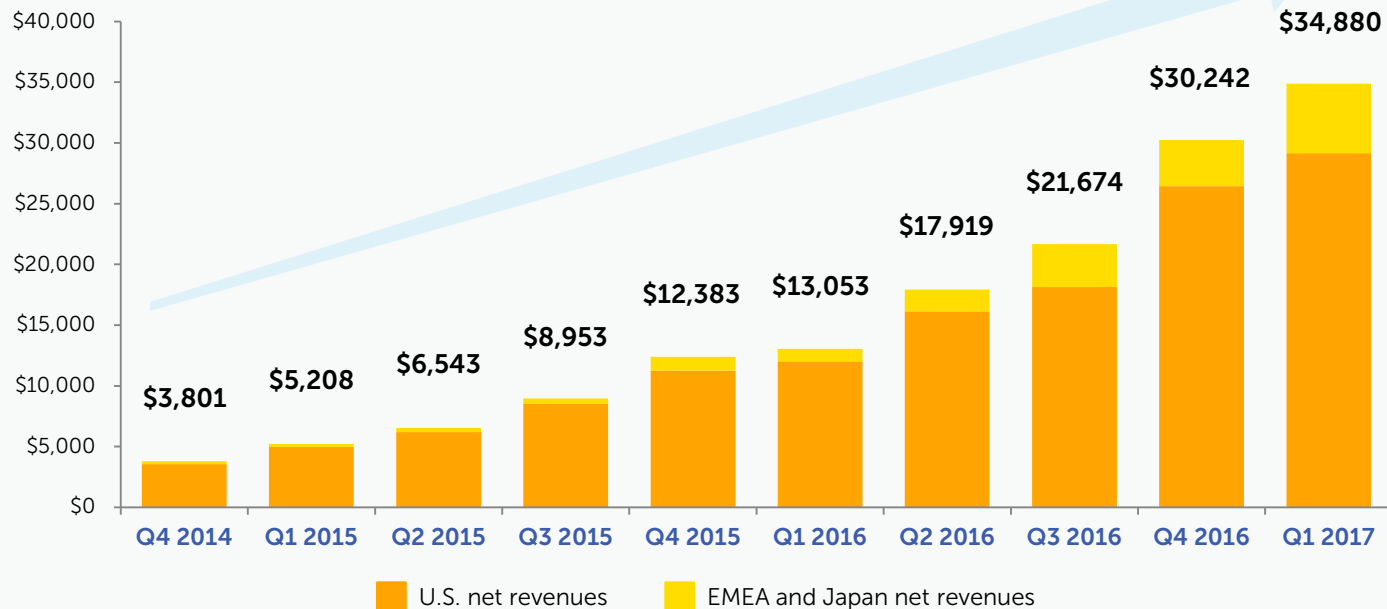


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CONSECUTIVE
 QUARTERS OF ACTIVE
 PATIENT GROWTH
 SINCE PRESENTATION
 OF EF-14 DATA

revenue growth

global net revenues by quarter (U.S. dollars in thousands)



167%

YEAR-OVER-YEAR
REVENUE GROWTH

expanding market access

- As of March 31, 2017, payers administering plans for more than 187 million U.S. lives had issued positive coverage policies
- As of March 31, 2017, contracts negotiated to establish Optune as an in-network benefit for more than 137 million U.S. lives
- Appealing Medicare fee-for-service denials, impacting 20-25% of U.S. active patients
- Improvement in case-by-case reimbursement in Germany; pursuing defined reimbursement
- Filed application to request defined reimbursement rate in Japan
- Pursuing broad reimbursement in Switzerland

>187

MILLION COVERED
LIVES IN THE U.S.

>137

MILLION CONTRACTED
LIVES IN THE U.S.

transition to accrual-based revenue recognition

U.S. DOLLARS IN MILLIONS	2017	2016			
	Q1	Q4	Q3	Q2	Q1
Gross billings	\$ 73.2	\$ 63.8	\$ 57.5	\$ 54.0	\$ 45.5
Revenue recorded on accrual basis	\$ 14.7	\$ 8.5	\$ 0.0	\$ 0.0	\$ 0.0
Revenue recorded on cash basis for therapy provided in the period	5.9	6.3	8.9	7.6	5.6
Revenue recorded on cash basis for therapy provided in previous period	14.3	15.5	12.7	10.3	7.4
Net revenues	\$ 34.9	\$ 30.2	\$ 21.7	\$ 17.9	\$ 13.1

- Gross billings reflect total charges for active patients on therapy without any deductions or adjustments for payer discounts, patient financial assistance or charitable care
- Twenty-three percent of first quarter gross billings qualified for accrual-based revenue recognition treatment
 - All net revenues recognized on an accrual basis represent charges to certain U.S.-based third-party payers
 - Revenue recorded on an accrual basis during the first quarter 2017 was \$14.7 million
- Revenue recorded on a cash basis during the first quarter 2017 was \$20.1 million

q1 2017 selected financial highlights

U.S. DOLLARS IN THOUSANDS	Q1 2017	Q1 2016	% GROWTH
Net revenues	\$ 34,880	\$ 13,053	167%
Cost of revenues	11,664	7,982	46%
Impairment of field equipment	-	-	-
Gross profit	23,216	5,071	358%
Research, development and clinical trials	9,411	11,445	-18%
Sales and marketing	14,756	13,308	11%
General and administrative	12,422	12,256	1%
Total operating costs and expenses	36,589	37,009	-1%
Operating income (loss)	(13,373)	(31,938)	58%
Financial expenses, net	2,446	549	346%
Income (loss) before income taxes	(15,819)	(32,487)	51%
Income tax expense	2,226	2,950	-25%
Net income (loss)	\$ (18,045)	\$ (35,437)	49%
Cash and cash equivalents	\$ 84,587	\$ 115,932	
Short-term investments	104,664	119,842	