

novocure™

Novocure (NVCR) q2 2017 results

July 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 the treatment of adults with 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

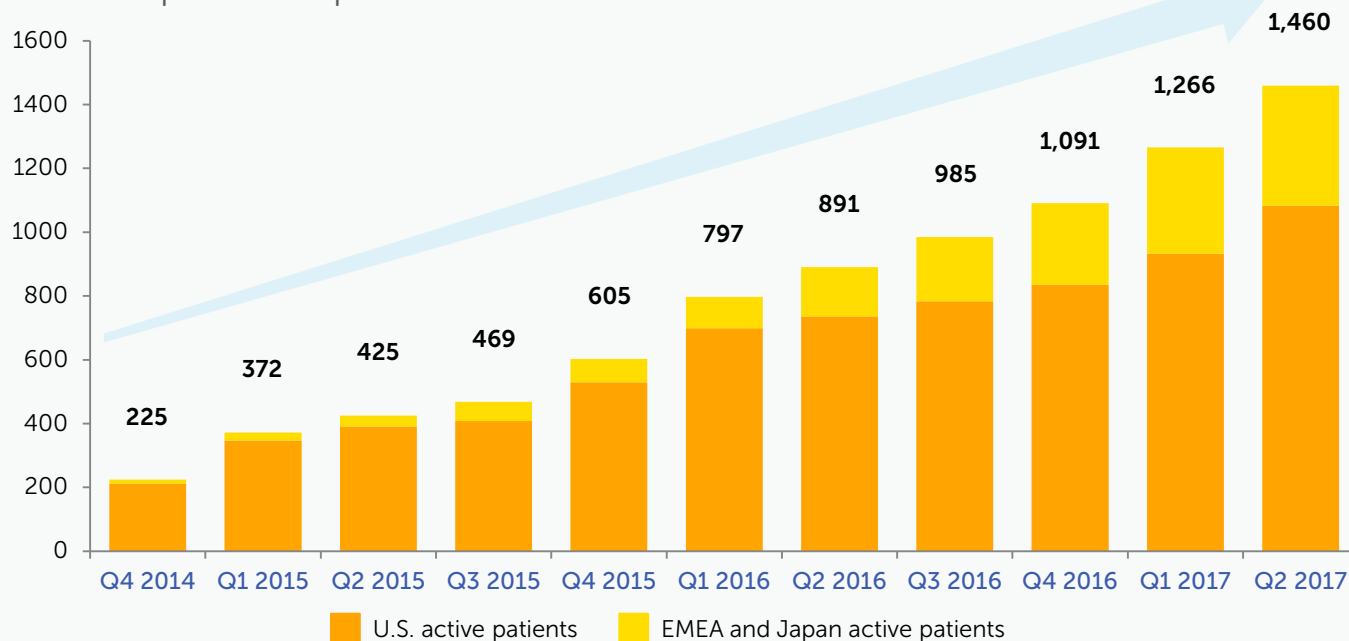
q2 2017 operating statistics

	Q2 2017	Q2 2016	% GROWTH	Q1 2017	% GROWTH
Prescriptions	1,059	657	61%	894	18%
United States	803	547	47%	685	17%
Germany, Switzerland and other EMEA Markets	255	110	132%	206	24%
Japan	1	-	N/A	3	-67%
Active patients at period end	1,460	891	64%	1,266	15%
United States	1,083	736	47%	933	16%
Germany, Switzerland and other EMEA Markets	376	155	143%	331	14%
Japan	1	-	N/A	2	-50%

- Growth driven primarily by commercial activities in our active markets, benefitting from Novocure's ongoing emphasis on building prescriber confidence in Optune for the treatment of GBM
- Year-over-year increase in active patients driven primarily by prescription growth
- In Q2 2017, more than 55% of prescriptions received were for patients with newly diagnosed GBM

active patient growth

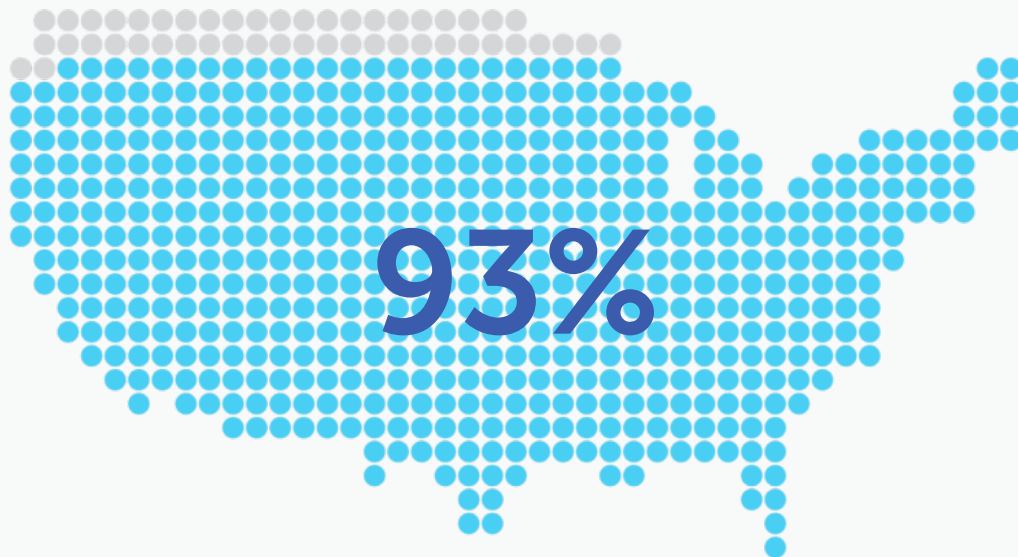
global active patients at period end



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

expanding U.S. commercial market access



**OF AMERICANS WITH PRIVATE HEALTH INSURANCE^{1,2}
NOW HAVE POSITIVE COVERAGE OF OPTUNE**

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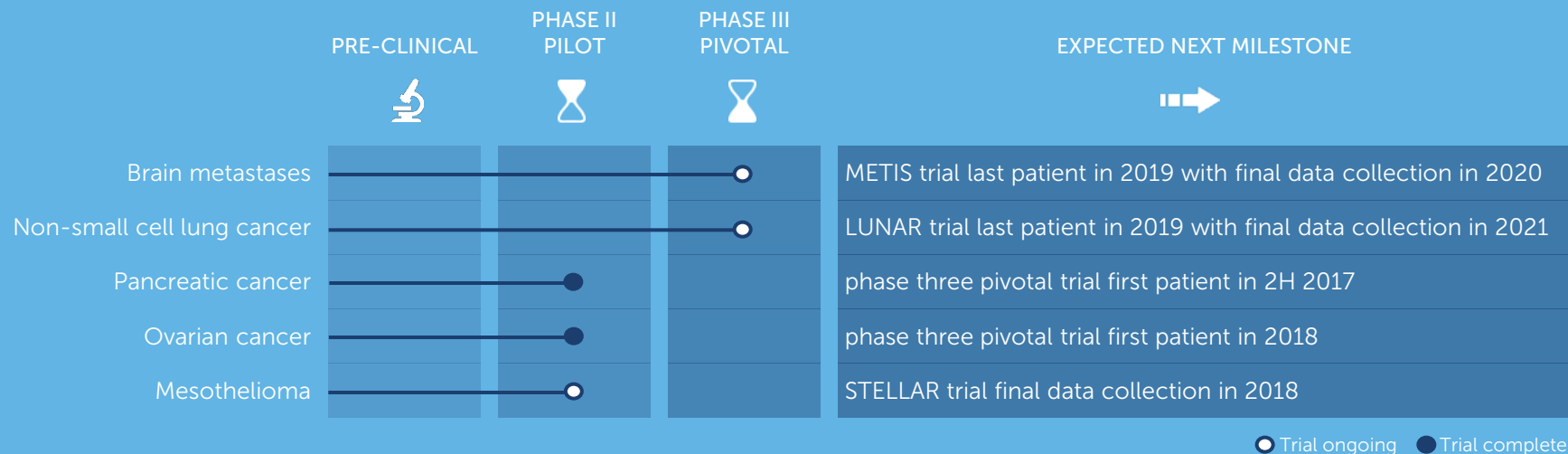
MILLION COVERED LIVES
IN THE U.S.

>174

MILLION CONTRACTED LIVES
IN THE U.S.

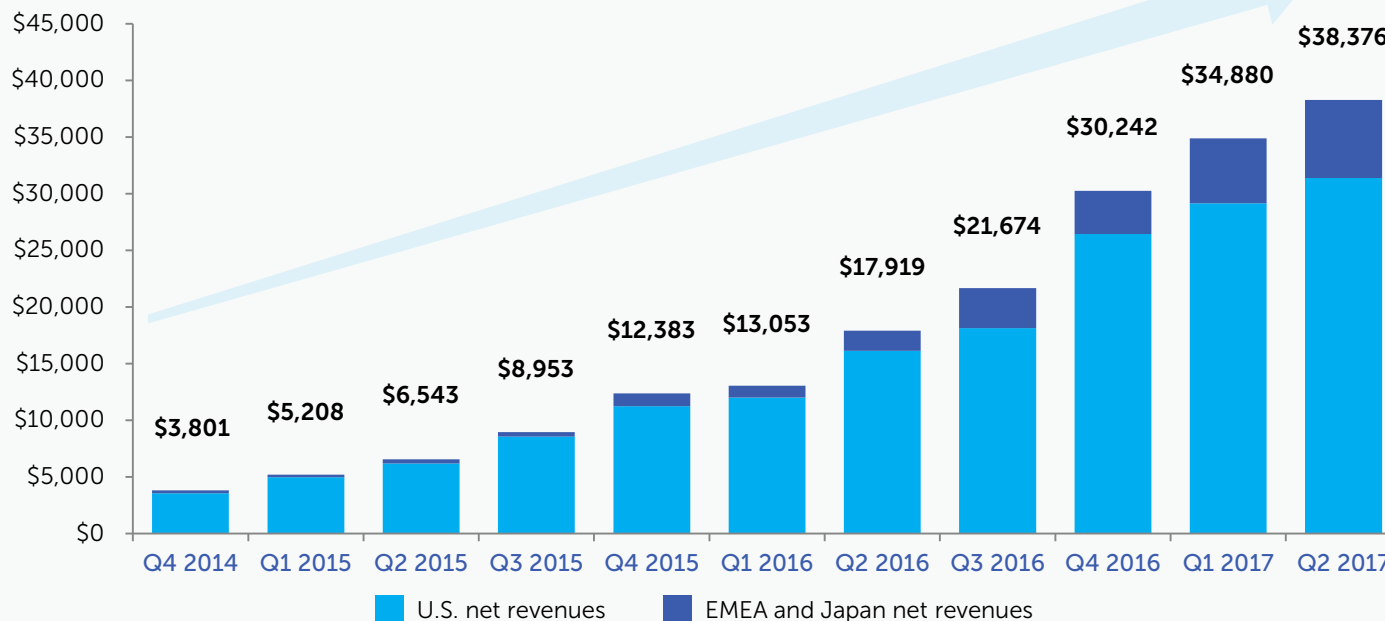
1. U.S. population insured with employers, non-group insurance or Medicare Advantage plans
2. Appealing Medicare fee-for-service denials, impacting 20-25% of U.S. active patients

ongoing clinical trials



revenue growth

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



114%

YEAR-OVER-YEAR
REVENUE GROWTH

transition to accrual-based revenue recognition

U.S. DOLLARS IN MILLIONS	2017		2016			
	Q2	Q1	Q4	Q3	Q2	Q1
Gross billings	\$ 87.2	\$ 73.2	\$ 63.8	\$ 57.5	\$ 54.0	\$ 45.5
Revenue recorded on accrual basis	\$ 19.1	\$ 14.7	\$ 8.5	\$ 0.0	\$ 0.0	\$ 0.0
Revenue recorded on cash basis for therapy provided in the period	5.7	5.9	6.3	8.9	7.6	5.6
Revenue recorded on cash basis for therapy provided in previous period	<u>13.6</u>	<u>14.3</u>	<u>15.5</u>	<u>12.7</u>	<u>10.3</u>	<u>7.4</u>
Net revenues	\$ 38.4	\$ 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
- Revenue recorded on a cash basis during the second quarter 2017 was \$19.3 million
- Twenty-four percent of second 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 second quarter 2017 was \$19.1 million

q2 2017 selected financial highlights

U.S. DOLLARS IN THOUSANDS	Q2 2017	Q2 2016	% GROWTH
Net revenues	\$ 38,376	\$ 17,919	114%
Cost of revenues	13,152	9,797	34%
Impairment of field equipment	-	6,412	-
Gross profit	25,224	1,710	1375%
Research, development and clinical trials	9,371	11,318	-17%
Sales and marketing	16,360	14,598	12%
General and administrative	15,023	13,031	15%
Total operating costs and expenses	40,754	38,947	5%
Operating income (loss)	(15,530)	(37,237)	58%
Financial expenses, net	2,183	555	293%
Income (loss) before income taxes	(17,713)	(37,792)	53%
Income tax expense	3,461	2,820	23%
Net income (loss)	\$ (21,174)	\$ (40,612)	48%
Cash and cash equivalents	\$ 80,190	\$ 80,871	
Short-term investments	104,186	119,979	