

# Novocure (NVCR) q1 2018 results

April 26, 2018

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 22, 2018, 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.

The statements contained in this presentation are made as at the date of this presentation, unless some other time is specified in relation to them, and service of this presentation shall not give rise to any implication that there has been no change in the facts set out in this presentation since such date. Nothing contained in this presentation shall be deemed to be a forecast, projection or estimate of the future financial performance of Novocure, except where expressly stated.

As of the date of this presentation, Optune is only FDA-approved for the treatment of adults with supratentorial 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.

# Optune® indications for use and important safety information

## INDICATIONS

- Optune is intended as a treatment for adult patients (22 years of age or older) with histologically-confirmed glioblastoma multiforme (GBM).
- Optune with temozolomide is indicated for the treatment of adult patients with newly diagnosed, supratentorial glioblastoma following maximal debulking surgery, and completion of radiation therapy together with concomitant standard of care chemotherapy.
- For the treatment of recurrent GBM, Optune is indicated following histologically- or radiologically-confirmed recurrence in the supratentorial region of the brain after receiving chemotherapy. The device is intended to be used as a monotherapy, and is intended as an alternative to standard medical therapy for GBM after surgical and radiation options have been exhausted.

## CONTRAINDICATIONS

- Do not use Optune in patients with an active implanted medical device, a skull defect (such as, missing bone with no replacement), or bullet fragments. Use of Optune together with implanted electronic devices has not been tested and may theoretically lead to malfunctioning of the implanted device. Use of Optune together with skull defects or bullet fragments has not been tested and may possibly lead to tissue damage or render Optune ineffective.
- Do not use Optune in patients that are known to be sensitive to conductive hydrogels. In this case, skin contact with the gel used with Optune may commonly cause increased redness and itching, and rarely may even lead to severe allergic reactions such as shock and respiratory failure.

# Optune® indications for use and important safety information

## WARNINGS AND PRECAUTIONS

- Optune can only be prescribed by a healthcare provider that has completed the required certification training provided by Novocure (the device manufacturer).
- Do not prescribe Optune for patients that are pregnant, you think might be pregnant or are trying to get pregnant, as the safety and effectiveness of Optune in these populations have not been established.
- The most common ( $\geq 10\%$ ) adverse events involving Optune in combination with temozolomide were thrombocytopenia, nausea, constipation, vomiting, fatigue, medical device site reaction, headache, convulsions, and depression.
- The most common ( $\geq 10\%$ ) adverse events seen with Optune monotherapy were medical device site reaction and headache.
- The following adverse reactions were considered related to Optune when used as monotherapy: medical device site reaction, headache, malaise, muscle twitching, fall and skin ulcer.
- Use of Optune in patients with an inactive implanted medical device in the brain has not been studied for safety and effectiveness, and use of Optune in these patients could lead to tissue damage or lower the chance of Optune being effective.
- If the patient has an underlying serious skin condition on the scalp, evaluate whether this may prevent or temporarily interfere with Optune treatment.

# novocure™

a global oncology company  
with a proprietary platform

---

## GROWING COMMERCIAL BUSINESS

- More than 2,000 patients on therapy
- 13 consecutive quarters of patient growth
- \$194 million trailing twelve month revenues

---

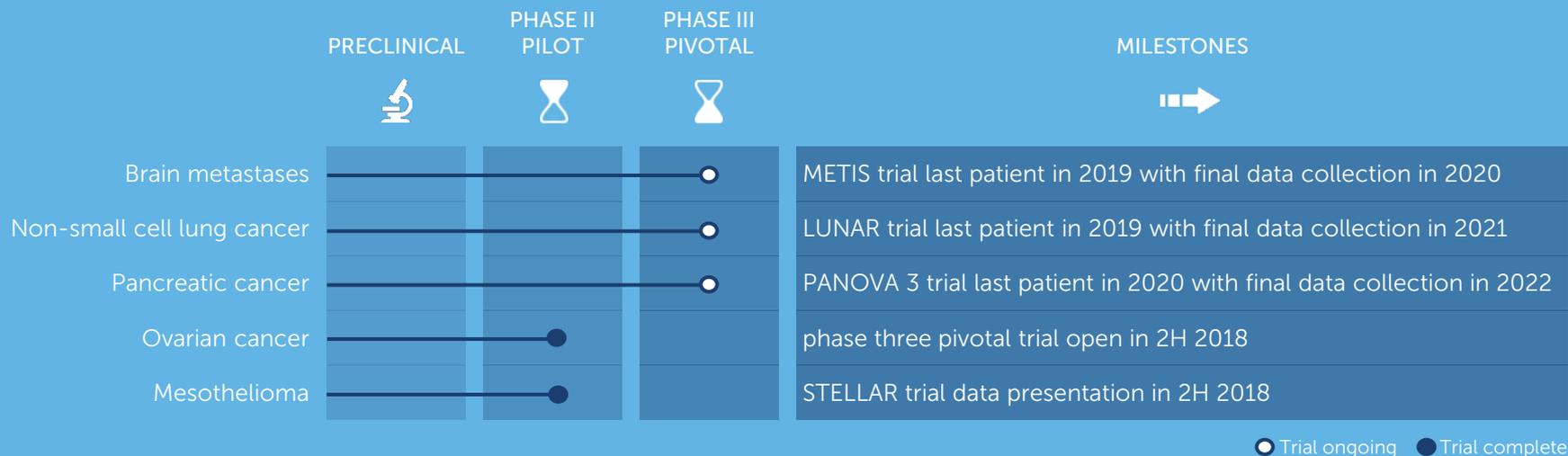
## SIGNIFICANT UPSIDE POTENTIAL

- Increase adoption and average reimbursement in GBM
- Advance clinical pipeline in five additional solid tumor indications

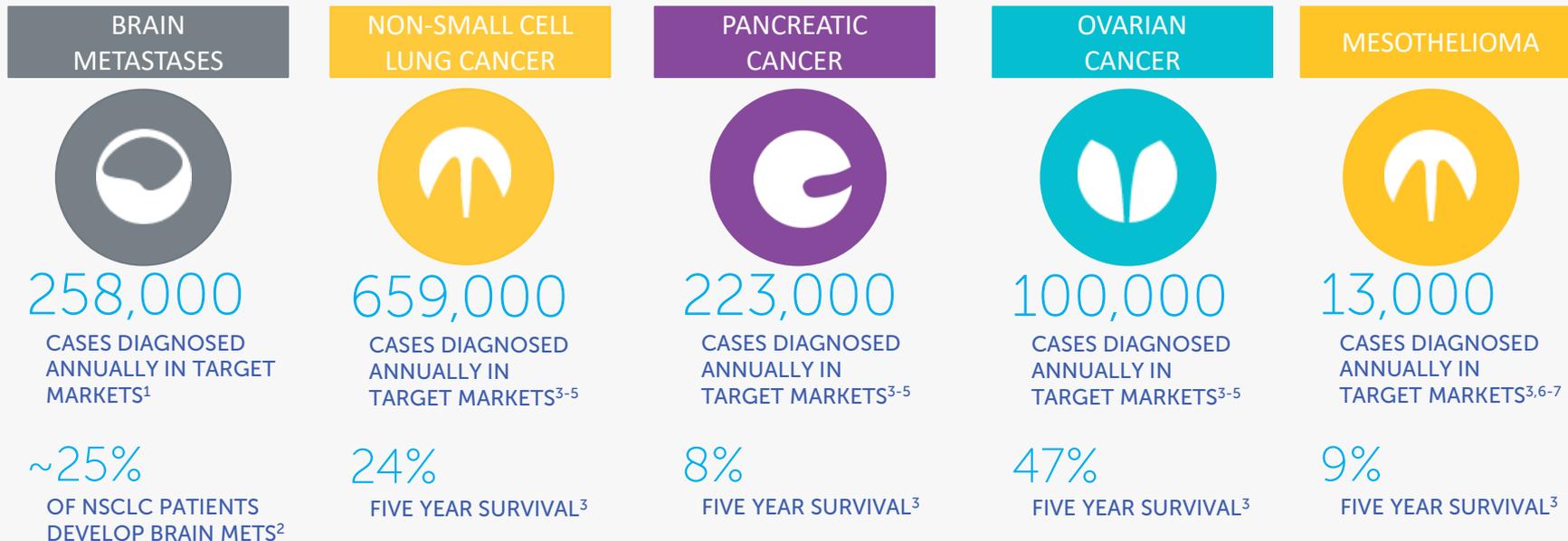
---

Information above as of March 31, 2018

# advancing clinical pipeline



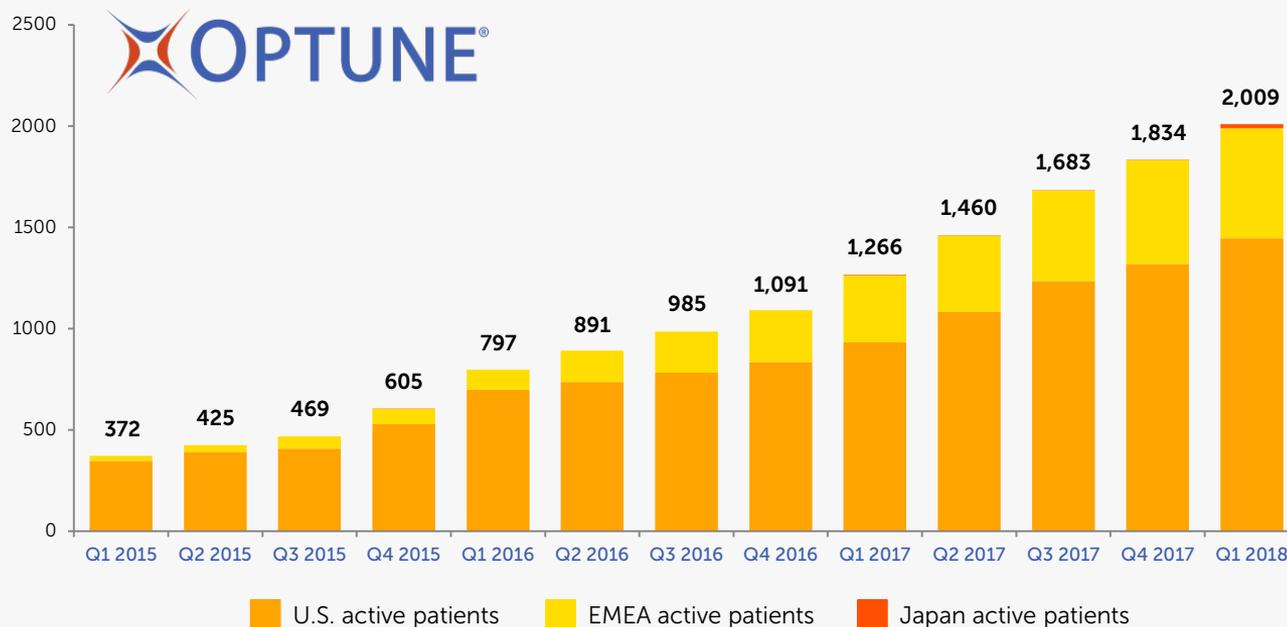
# addressing large market segments with significant unmet medical needs



1. Goetz P, Ebinu JO, Roberge D, Zadeh G. Current Standards in the Management of Cerebral Metastases. *Int J of Surg Onc.* 2012;2012:493426. doi:10.1155/2012/493426. 2. Owen S, Souhami L. The management of brain metastases in non-small cell lung cancer. *Frontiers in Oncology.* 2014;4:248. doi:10.3389/fonc.2014.00248. 3. Howlader N, Noone AM, et al. SEER Cancer Statistics Review, 1975-2014. National Cancer Institute, Bethesda, MD. [https://seer.cancer.gov/csr/1975\\_2014/](https://seer.cancer.gov/csr/1975_2014/), based on November 2016 SEER data submission, posted to SEER web site, April 2017. 4. Ferlay J, Steliarova-Foucher E, et al. Cancer incidence and mortality patterns in Europe: estimates for 40 countries in 2012. *Eur J Cancer.* 2013;49(6):1374-403. doi: 10.1016/j.ejca.2012.12.027. 5. WHO (2016) GLOBOCAN 2012: Estimated Cancer Incidence, Mortality, and Prevalence Worldwide in 2012. Lyon, France (accessed January 2018). 6. Peto J, Decarli A, La Vecchia C, Levi F, Negri E. The European mesothelioma epidemic. *Br J Cancer* 1999;79:666-72. doi: 10.1038/sj.bjc.6690105. 7. Robinson B.M. Malignant pleural mesothelioma: an epidemiological perspective. *Ann Cardiothorac Surg.* 2012; 1(4): 491-496. doi: 10.3978/j.issn.2225-319X.2012.11.04.

# growing commercial business

active patients at period end



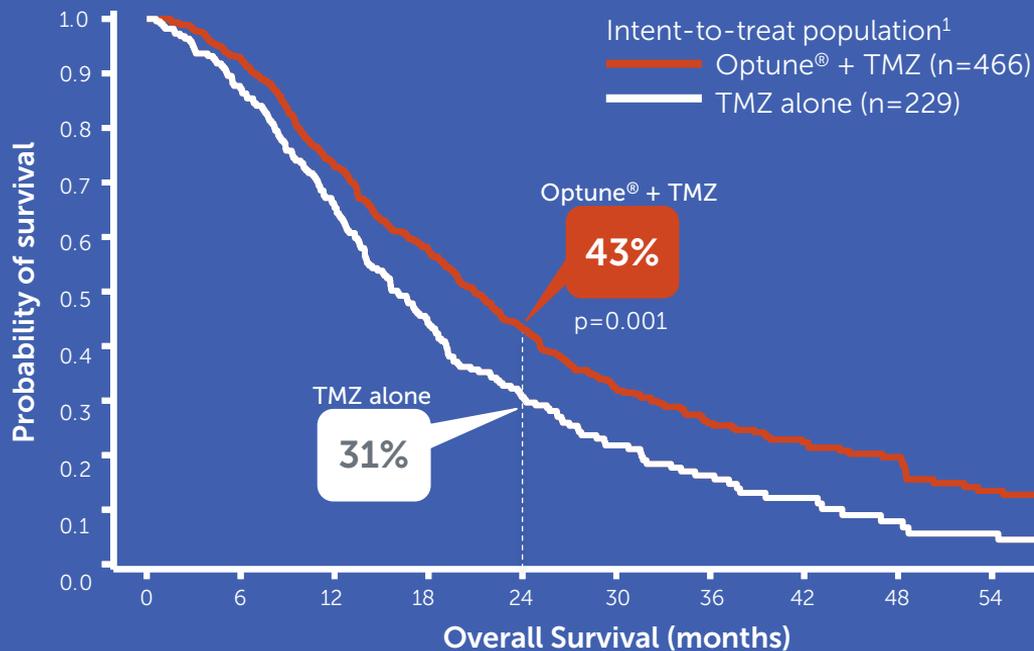
13

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

7,000+

PATIENTS TREATED TO DATE GLOBALLY

# proven superior long-term survival with Optune® plus temozolomide in GBM



Median OS from randomization (months)

20.9

16.0

Stratified log-rank

p=0.00006

HR (95% CI)

0.63 (0.53-0.76)

Median OS from diagnosis (months)

24.5

19.8

1. Stupp R, Taillibert S, Kanner A, et al. Effect of Tumor-Treating Fields Plus Maintenance Temozolomide vs Maintenance Temozolomide Alone on Survival in Patients With Glioblastoma: A Randomized Clinical Trial. *JAMA*. 2017;318(23):2306–2316.

# NCCN guidelines updated in March 2018

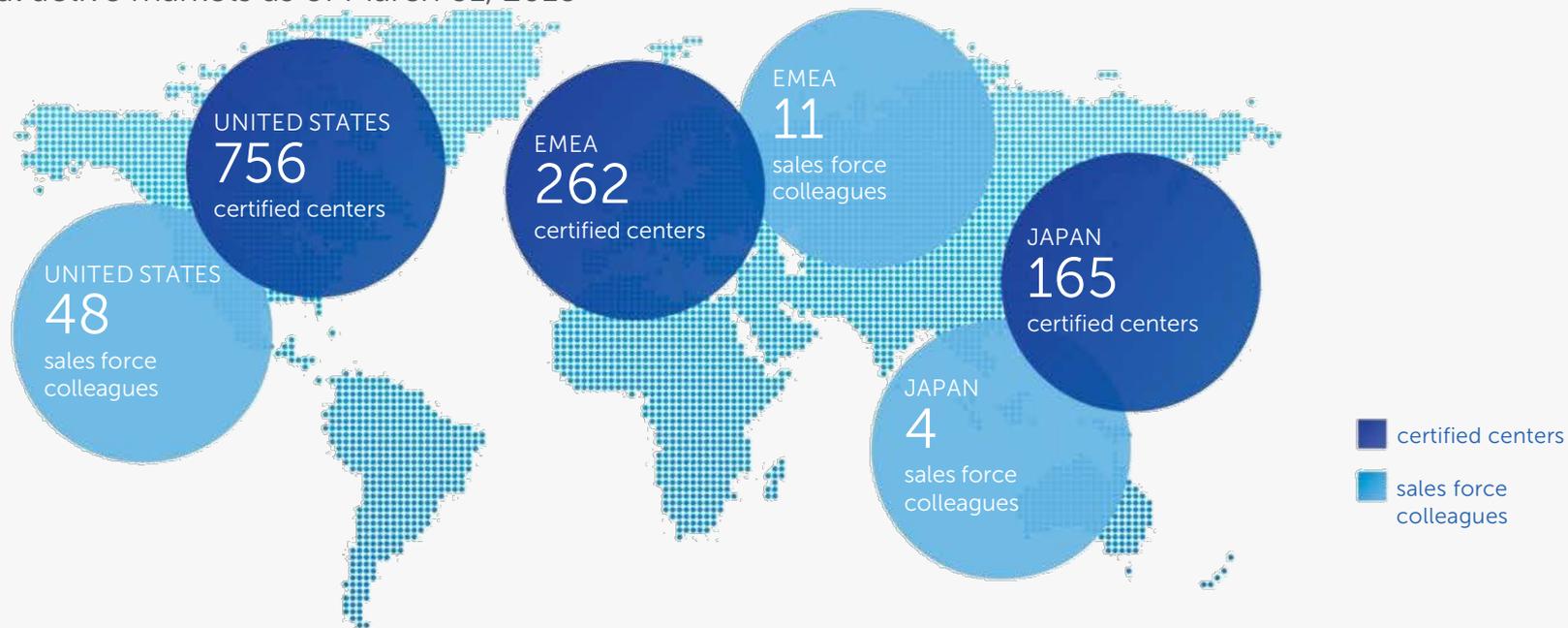


The updated NCCN Clinical Practice Guidelines in Oncology (NCCN Guidelines®) for Central Nervous System Cancers now include alternating electric field therapy (Optune) in combination with temozolomide (TMZ) following maximal safe resection and standard brain radiation therapy with concurrent TMZ as Category 1 recommended treatment for patients with newly diagnosed supratentorial glioblastoma (GBM) and good performance status.\* There is uniform NCCN consensus for this recommendation based on high-level evidence.

\* The NCCN defines good performance as Karnofsky Performance Score (KPS)  $\geq 60$ . The trial for which the IFU is based used an eligibility criteria of KPS  $\geq 70$ .

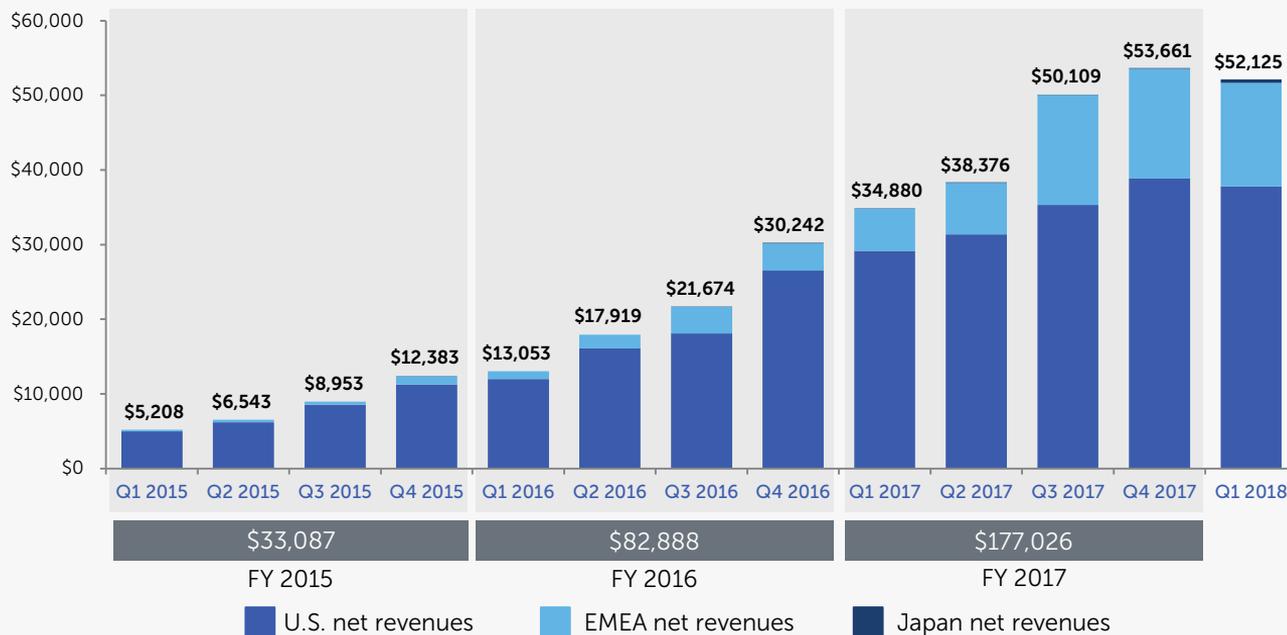
# global commercial presence

global active markets as of March 31, 2018



# demonstrated financial performance

global net revenues (USD in thousands)



49%

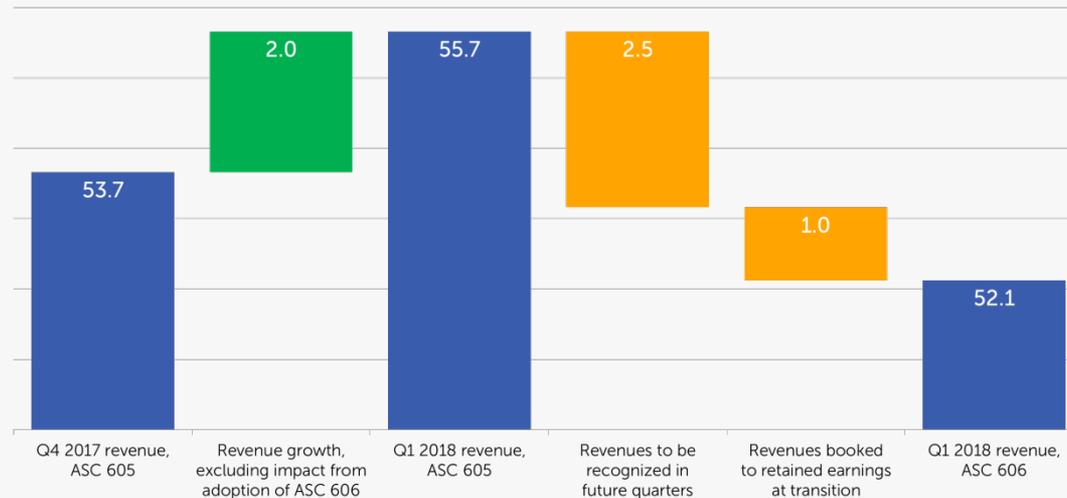
Q1 2018 VERSUS Q1 2017  
YEAR-OVER-YEAR  
REVENUE GROWTH

\$216.3

MILLION IN CASH AND  
SHORT-TERM EQUIVALENTS  
AS OF MARCH 31 2018

# impact from implementation of ASC 606 revenue recognition standard

USD in millions



- Under ASC 605, Q1 2018 revenues would have been \$55.7 million, representing 4% sequential growth
- Q1 implementation impact of \$3.5 million due to ASC 606 transition
  - \$2.5 million driven by timing
  - \$1.0 million lost to retained earnings driven by cash collections for claims not previously accrued
- Business fundamentals remain strong

# q1 2018 selected financial highlights

U.S. DOLLARS IN THOUSANDS	Q1 2018	Q1 2017	% CHANGE
Net revenues	\$ 52,125	\$ 34,880	49%
Cost of revenues	18,238	11,664	56%
Gross profit	33,887	23,216	46%
Research, development and clinical trials	11,104	9,411	18%
Sales and marketing	18,135	14,756	23%
General and administrative	17,325	12,422	39%
Total operating costs and expenses	46,564	36,589	27%
Operating income (loss)	(12,677)	(13,373)	5%
Financial expenses, net	4,853	2,446	98%
Income (loss) before income taxes	(17,530)	(15,819)	67%
Income taxes	3,194	2,226	43%
Net income (loss)	\$ (20,724)	\$ (18,045)	-15%
Cash and cash equivalents	\$ 111,603	\$ 84,587	
Short-term investments	104,712	104,664	

ESTIMATE NET REVENUES  
WILL TREND TOWARD  
AN APPROXIMATE

45%

OF GROSS BILLINGS FOR  
THE FULL YEAR 2018