Novocure Q3 2024 Earnings

Wednesday, October 30, 2024

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forward-looking statements

In addition to historical facts or statements of current condition, this presentation may contain forward-looking statements. Forward-looking statements provide Novocure's current expectations or forecasts of future events. These may include statements regarding anticipated scientific progress on its research programs, clinical trial progress, development of potential products, interpretation of clinical results, prospects for regulatory approval, manufacturing development and capabilities, market prospects for its products, coverage, collections from third-party payers and other statements regarding matters that are not historical facts. You may identify some of these forward-looking statements by the use of words in the statements such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" or other words and terms of similar meaning. Novocure's performance and financial results could differ materially from those reflected in these forward-looking statements due to general financial, economic, environmental, regulatory and political conditions and other more specific risks and uncertainties facing Novocure such as those set forth in its Annual Report on Form 10-K filed on February 22, 2024, and subsequent filings with the U.S. Securities and Exchange Commission. Given these risks and uncertainties, any or all of these forward-looking statements may prove to be incorrect. Therefore, you should not rely on any such factors or forward-looking statements. Furthermore, Novocure does not intend to update publicly any forward-looking statement, except as required by law. Any forward-looking statements herein speak only as of the date hereof. The Private Securities Litigation Reform Act of 1995 permits this discussion.

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 Gio is FDA-approved for the treatment of adults with supratentorial glioblastoma (GBM). Optune Lua is FDA-approved for the treatment of adult patients with metastatic non-small cell lung cancer (mNSCLC) and for the treatment of adults with malignant pleural mesothelioma or pleural mesothelioma (MPM),respectively, and the approval for use in other indications is not certain. Novocure can provide no assurances regarding market acceptance of Optune Gio or Optune Lua or their 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 focused objectives in 2024

GROW GBM

LAUNCH LUNG

DELIVER PIPELINE

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GBM, glioblastoma.

q3 2024 financial and operational updates

Consistent execution with clinical milestones approaching

- Quarterly net revenues of **$155 million**, +22% year-over-year
- Record **4,113 active patients on therapy**, +13% year-over-year
- LUNAR: **FDA approval and commercial launch underway** in mNSCLC
- PANOVA-3: **top-line data anticipated** from phase 3 clinical trial in Q4 ‘24
- PANOVA-4**: enrollment complete** in phase 2 clinical trial
- METIS**: Breakthrough Device designation granted** for use of TTFields therapy to treat brain metastases from mNSCLC

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FDA, U.S. Food & Drug Administration; mNSCLC, metastatic non-small cell lung cancer

NSCLC launch underway in the U.S.

CLINICAL DATA

- ✓ Announced top-line results
- ✓ Data at ASCO
- ✓ Published in *Lancet Oncology*
- ✓ Data at ESMO, WCLC

REGULATORY PATHWAY

- ✓ Technical file submitted in EU
- ✓ PMA accepted for review at FDA
- ✓ Application submitted to Japan PMDA
- ✓ Day 100 Meeting with FDA
- ✓ **FDA approval of PMA**
- • CE Mark

COMMERCIAL LAUNCH

- ✓ HCP and patient campaigns
- ✓ DTC campaign
- ✓ Global advisory boards
- ✓ KOL engagements
- ✓ Launch in U.S.
- • Launch in Germany
- • Establish reimbursement

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ASCO, American Society of Clinical Oncology; DTC, direct to consumer; ESMO, European Society for Medical Oncology; EU, European Union; FDA, U.S. Food and Drug Administration; HCP, healthcare provider; KOL, key opinion leader; NSCLC, non-small cell lung cancer; PMA, Premarket Approval; PMDA, Pharmaceuticals and Medical Devices Agency; WCLC, World Conference on Lung Cancer.

significant opportunity to treat NSCLC patients

114K
stage IV NSCLC 1L patients in the U.S.

60%
receive 1L platinum-based chemotherapy

50%
progress and seek 2L treatment

~30,000
seek treatment for metastatic NSCLC post platinum

>8 YEARS
since any therapy has shown a significant improvement in overall survival in 2L NSCLC

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Sources: DRG Diagnosed first line NSCLC metastatic drug-treated population (2023; accessed 8/1/23); CancerMPactNSCLC Treatment Architecture, (Jul 2023). 1L, first line; 2L, second line.

q3 2024 selected financial highlights

U.S. DOLLARS IN THOUSANDS	Q3 2024	Q3 2023	% CHANGE
Net revenues	$ 155,095	$ 127,321	22%
Cost of revenues	35,372	32,092	10%
Gross profit	119,723	95,229	26%
Research, development and clinical expenses	51,882	53,623	-3%
Sales and marketing	59,830	57,964	3%
General and administrative	40,103	41,887	-4%
Total operating costs and expenses	151,815	153,474	-1%
Operating income (loss)	(32,092)	(58,245)	-45%
Financial income (expenses), net	10,507	10,023	5%
Income (loss) before income taxes	(21,585)	(48,222)	-55%
Income taxes	8,985	1,263	611%
Net income (loss)	$ (30,570)	$ (49,485)	-38%
Cash, cash equivalents and short-term investments	$ 959,898	$ 921,248	4%

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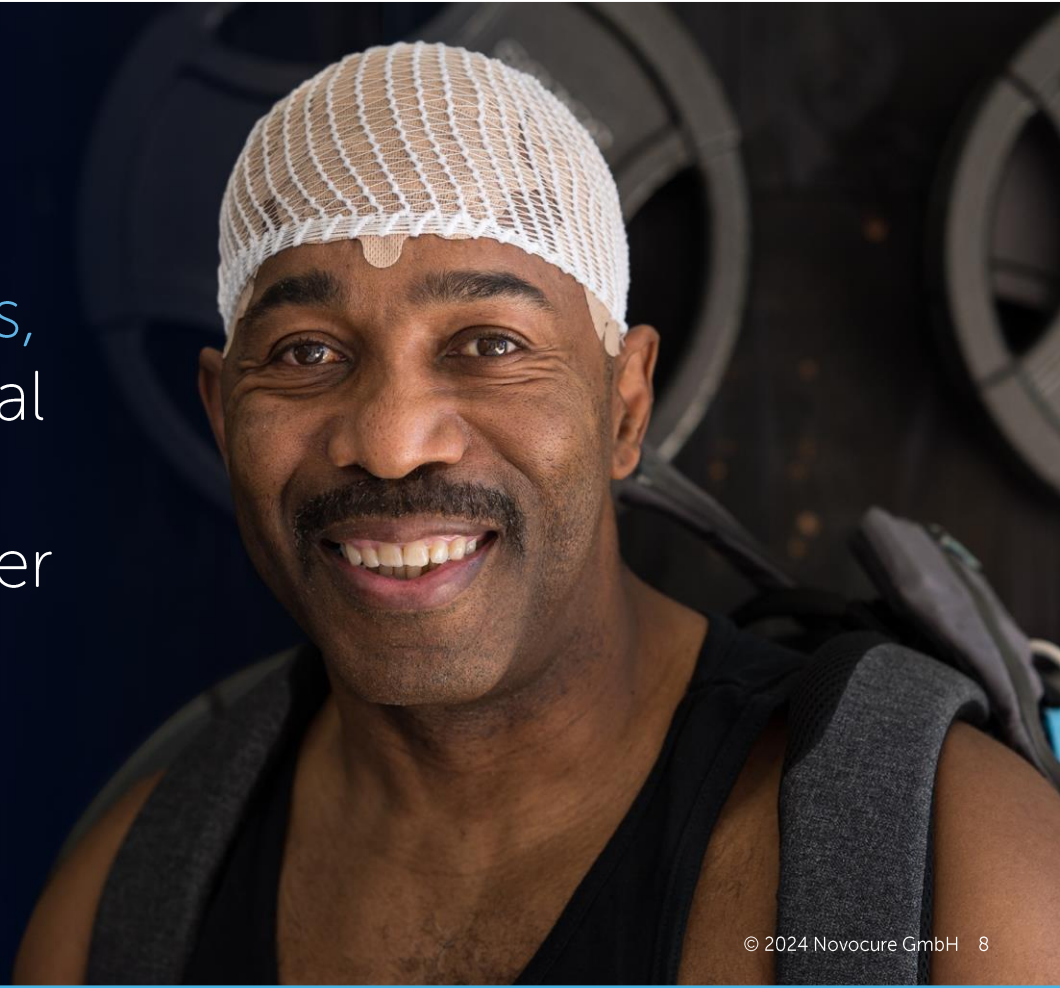
together with our patients,
we strive to extend survival
in some of the most
aggressive forms of cancer



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Optune Lua® and Optune Gio® indications for use and important safety information

INDICATIONS

- Optune Lua® is indicated as a treatment concurrent with PD-1/PD-L1 inhibitors or docetaxel for adult patients with metastatic non-small cell lung cancer (mNSCLC) who have progressed on or after a platinum-based regimen.
- Optune Lua® is indicated for the treatment of adult patients with unresectable, locally advanced or metastatic, malignant pleural mesothelioma (MPM) to be used concurrently with pemetrexed and platinum-based chemotherapy.
- Optune Gio® is intended as a treatment for adult patients (22 years of age or older) with histologically confirmed glioblastoma multiforme (GBM).
- Optune Gio 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 Gio 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 Lua in patients with an electrical implant. Use of Optune Lua together with electrical implants has not been tested and may lead to malfunctioning of the implanted device.
- Do not use Optune Lua or Optune Gio in patients known to be sensitive to conductive hydrogels. In this case, skin contact with the gel used with Optune Lua or Optune Gio may commonly cause increased redness and itching, and rarely may even lead to severe allergic reactions, such as a fall in blood pressure, shock, and breathing difficulty, including respiratory failure.
- Do not use Optune Gio in patients with an active implanted medical device, a skull defect (such as, missing bone with no replacement), or bullet fragments. Use of Optune Gio together with implanted electronic devices has not been tested and may theoretically lead to malfunctioning of the implanted device. Use of Optune Gio together with skull defects or bullet fragments has not been tested and may possibly lead to tissue damage or render Optune Gio ineffective.

Optune Lua® and Optune Gio® indications for use and important safety information

WARNINGS AND PRECAUTIONS

- Optune Lua and Optune Gio 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 Lua or Optune Gio for patients who are pregnant, whom you think might be pregnant, or who are trying to get pregnant, as the safety and effectiveness of Optune Lua and Optune Gio in these populations have not been established.
- The most common (≥10%) adverse events involving Optune Lua concurrent with PD-1/PD-L1 inhibitors or docetaxel for mNSCLC were dermatitis, musculoskeletal pain, fatigue, anemia, dyspnea, nausea, cough, diarrhea, anorexia, pruritis, leukopenia, pneumonia, respiratory tract infection, localized edema, rash, pain, constipation, skin ulcers, and hypokalemia.
- The most common (≥10%) adverse events involving Optune Gio together with temozolomide were thrombocytopenia, nausea, constipation, vomiting, fatigue, medical device site reaction, headache, convulsions, and depression.
- The most common (≥10%) adverse events seen with Optune Gio monotherapy were medical device site reaction and headache. Other potential adverse reactions were considered related to Optune Gio when used as monotherapy: medical device site reaction, headache, malaise, muscle twitching, fall, and skin ulcer.
- Other potential adverse effects associated with the use of Optune Lua for mNSCLC include treatment related skin toxicity, allergic reaction to the adhesive or to the gel, overheating of the array leading to pain and/or local skin burns, infections at the site where the arrays make contact with the skin, local warmth and tingling sensation beneath the arrays, medical device site reaction, muscle twitching, and skin breakdown or skin ulcer.
- The most common (≥10%) adverse events involving Optune Lua in combination with chemotherapy for MPM were anemia, constipation, nausea, asthenia, chest pain, fatigue, medical device site reaction, pruritus, and cough.
- Other potential adverse effects associated with the use of Optune Lua for MPM include: treatment related skin toxicity, allergic reaction to the plaster or to the gel, electrode overheating leading to pain and/or local skin burns, infections at sites of electrode contact with the skin, local warmth and tingling sensation beneath the electrodes, muscle twitching, medical device site reaction and skin breakdown/skin ulcer.
- Use of Optune Gio in patients with an inactive implanted medical device in the brain has not been studied for safety and effectiveness, and use of Optune Gio in these patients could lead to tissue damage or lower the chance of Optune Gio being effective.
- If the patient has an underlying serious skin condition on the chest, evaluate whether this may prevent or temporarily interfere with Optune Lua treatment.
- If the patient has an underlying serious skin condition on the scalp, evaluate whether this may prevent or temporarily interfere with Optune Gio treatment.
- Please see full Instructions For Use (IFU) for Optune Lua® for mNSCLC at www.optuneluahcp.com.
- Please see full Instructions For Use (IFU) for Optune Lua® for MPM at www.optunelua.com/mpm/.
- Please see full Instructions For Use (IFU) for and Optune Gio® at www.optunegiohcp.com

appendix

adjusted EBITDA reconciliation

Adjusted EBITDA is a non-GAAP measurement of earnings before interest, taxes, depreciation, amortization and share-based compensation. We believe Adjusted EBITDA is useful to investors in evaluating our operating performance because it helps investors compare the results of our operations from period to period by removing the impact of earnings attributable to our capital structure, tax rate and material non-cash items, specifically share-based compensation.

U.S. DOLLARS IN THOUSANDS

	Three months ended September 30,		Nine months ended September 30,	
Adjusted EBITDA reconciliation	2024	2023	2024	2023
Net income (loss)	$ (30,570)	$ (49,485)	$ (102,705)	$ (159,964)
Add: income tax	$ 8,985	$ 1,263	$ 26,749	$ 6,758
Add: financial expenses (income), net	$ (10,507)	$ (10,023)	$ (31,236)	$ (27,948)
Add: depreciation and amortization	$ 2,458	$ 2,803	$ 8,131	$ 8,246
EBITDA	$ (29,634)	$ (55,442)	$ (99,061)	$ (172,908)
Add: share-based compensation	$ 31,364	$ 26,346	$ 97,278	$ 98,170
Adjusted EBITDA	$ 1,730	$ (29,096)	$ (1,783)	$ (74,738)

