UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-37565

NovoCure Limited

(Exact Name of Registrant as Specified in Its Charter)

Jersey	**98-1057807**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

No. 4 The Forum
Grenville Street
St. Helier, Jersey JE2 4UF
(Address of principal executive offices, including zip code)

+44 (0) 15 3475 6700
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, no par value	NVCR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding as of April 23, 2021**
Ordinary shares, no par value	103,413,367 Shares

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical facts or statements of current condition, this report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements contained in this report are based on our current plans, expectations, hopes, beliefs, intentions or strategies concerning future developments and their impact on us. Forward-looking statements contained in this report constitute our expectations or forecasts of future events as of the date this report was filed with the Securities and Exchange Commission (the "SEC") and are not statements of historical fact. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Such statements may include words such as "anticipate," "will," "estimate," "expect," "project," "intend," "should," "plan," "believe," "hope," and other words and terms of similar meaning in connection with any discussion of, among other things, future operating or financial performance, strategic initiatives and business strategies, regulatory or competitive environments, our intellectual property and research and development related to our Tumor Treating Fields delivery systems marketed under various brand names, including Optune and Optune Lua, and software and systems to support and optimize the delivery of Tumor Treating Fields (collectively, our "Products"). In particular, these forward-looking statements include, among others, statements about:

- our research and development, clinical trial and commercialization activities and projected expenditures;
- the further commercialization of our Products for current and future indications;
- our business strategies and the expansion of our sales and marketing efforts in the United States and in other countries;
- the market acceptance of our Products for current and future indications by patients, physicians, third-party payers and others in the healthcare and scientific community;
- our plans to pursue the use of our Products for the treatment of solid tumor cancers other than glioblastoma multiforme ("GBM") and malignant pleural mesothelioma ("MPM");
- our estimates regarding revenues, expenses, capital requirements and needs for additional financing;
- our ability to obtain regulatory approvals for the use of our Products in indications other than GBM and MPM;
- our ability to acquire from third-party suppliers the supplies needed to manufacture our Products;
- our ability to manufacture adequate supply of our Products;
- our ability to secure and maintain adequate coverage from third-party payers to reimburse us for our Products for current and future indications;
- our ability to receive payment from third-party payers for use of our Products for current and future indications;
- our ability to maintain and develop our intellectual property position;
- our ability to manage the risks associated with business disruptions caused by natural disasters, extreme weather events, pandemics such as the COVID-19 (coronavirus) or international conflict or other disruptions outside of our control;
- our cash needs; and
- our prospects, financial condition and results of operations.

These forward-looking statements involve a number of risks and uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Factors which may cause such differences to occur include those risks and uncertainties set forth under Part I, Item 1A., "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed on February 25, 2021, as well as other risks and uncertainties set forth from time to time in the reports we file with the SEC. In our prior filings, references to NovoTTF-100L now refer

to Optune Lua. We do not intend to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

TRADEMARKS

This Quarterly Report on Form 10-Q includes trademarks of NovoCure Limited and other persons. All trademarks or trade names referred to herein are the property of their respective owners.

NovoCure Limited
Quarterly Report on Form 10-Q
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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

NOVOCURE LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share data)

	March 31, 2021	December 31, 2020
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 314,547	$ 234,674
Short-term investments	549,855	607,902
Restricted cash	11,430	11,499
Trade receivables, net	92,514	96,699
Receivables and prepaid expenses	18,922	21,245
Inventories	27,968	27,422
Total current assets	1,015,236	999,441
LONG-TERM ASSETS:		
Property and equipment, net	11,733	11,395
Field equipment, net	12,132	11,230
Right-of-use assets	17,741	19,009
Other long-term assets	10,788	10,908
Total long-term assets	52,394	52,542
TOTAL ASSETS	$ 1,067,630	$ 1,051,983

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOVOCURE LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share data)

	March 31, 2021	December 31, 2020
	Unaudited	Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 52,703	$ 53,647
Other payables, lease liabilities and accrued expenses	57,784	59,965
Total current liabilities	110,487	113,612
LONG-TERM LIABILITIES:		
Long-term debt, net	559,584	429,905
Deferred revenue	9,577	12,139
Long-term leases	12,708	14,293
Employee benefits	2,963	5,171
Other long-term liabilities	177	337
Total long-term liabilities	585,009	461,845
TOTAL LIABILITIES	695,496	575,457
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Share capital -		
Ordinary shares no par value, unlimited shares authorized; issued and outstanding: 103,187,460 shares and 102,334,276 shares at March 31, 2021 (unaudited) and December 31, 2020, respectively	—	—
Additional paid-in capital	1,005,785	1,111,435
Accumulated other comprehensive income (loss)	(1,948)	(3,832)
Retained earnings (accumulated deficit)	(631,703)	(631,077)
TOTAL SHAREHOLDERS' EQUITY	372,134	476,526
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,067,630	$ 1,051,983

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOVOCURE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
U.S. dollars in thousands (except share and per share data)

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
Net revenues	$ 134,695	$ 101,828	$ 494,366
Cost of revenues	26,385	24,496	106,501
Gross profit	108,310	77,332	387,865
Operating costs and expenses:			
Research, development and clinical trials	45,916	25,271	132,010
Sales and marketing	31,357	28,834	118,017
General and administrative	31,125	26,608	107,437
Total operating costs and expenses	108,398	80,713	357,464
Operating income (loss)	(88)	(3,381)	30,401
Financial expenses (income), net	2,646	2,432	12,299
Income (loss) before income tax	(2,734)	(5,813)	18,102
Income tax	1,394	(9,765)	(1,706)
Net income (loss)	$ (4,128)	$ 3,952	$ 19,808
Basic net income (loss) per ordinary share	$ (0.04)	$ 0.04	$ 0.20
Weighted average number of ordinary shares used in computing basic net income (loss) per share	102,633,545	99,877,567	100,930,866
Diluted net income (loss) per ordinary share	$ (0.04)	$ 0.04	$ 0.18
Weighted average number of ordinary shares used in computing diluted net income (loss) per share	102,633,545	108,100,623	108,877,648

The accompanying notes are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

U.S. dollars in thousands

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
Net income (loss)	$ (4,128)	$ 3,952	$ 19,808
Other comprehensive income (loss), net of tax:			
Change in foreign currency translation adjustments	(268)	(200)	(85)
Pension benefit plan	2,152	(662)	(980)
Total comprehensive income (loss)	$ (2,244)	$ 3,090	$ 18,743

NOVOCURE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

U.S. dollars in thousands (except share data)

	Ordinary shares	Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings (accumulated deficit)	Total shareholders' equity
Balance as of December 31, 2020 (audited)	102,334,276	$ 1,111,435	$ (3,832)	$ (631,077)	$ 476,526
Share-based compensation to employees	—	18,863	—	—	18,863
Exercise of options and vested RSUs	853,184	7,961	—	—	7,961
Cumulative effect adjustment resulting from ASU 2020-06 early adoption (see Note 5)	—	(132,474)	—	3,502	(128,972)
Other comprehensive income (loss), net of tax benefit of $0	—	—	1,884	—	1,884
Net income (loss)	—	—	—	(4,128)	(4,128)
Balance as of March 31, 2021(Unaudited)	103,187,460	$ 1,005,785	$ (1,948)	$ (631,703)	$ 372,134

	Ordinary shares	Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings (accumulated deficit)	Total shareholders' equity
Balance as of December 31, 2019 (audited)	99,528,435	$ 871,442	$ (2,767)	$ (650,885)	$ 217,790
Share-based compensation to employees	—	16,557	—	—	16,557
Exercise of options and vested RSUs	834,538	4,511	—	—	4,511
Other comprehensive income (loss), net of tax benefit of $0	—	—	(862)	—	(862)
Net income (loss)	—	—	—	3,952	3,952
Balance as of March 31, 2020 (Unaudited)	100,362,973	$ 892,510	$ (3,629)	$ (646,933)	$ 241,948

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOVOCURE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
Cash flows from operating activities:			
Net income (loss)	$ (4,128)	$ 3,952	$ 19,808
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	2,370	1,888	9,150
Asset write-downs and impairment of field equipment	176	6	429
Share-based compensation	18,863	16,557	75,721
Foreign currency remeasurement loss (gain)	2,157	(7)	(699)
Decrease (increase) in accounts receivables	4,624	(19,718)	(30,354)
Amortization of discount (premium)	603	(539)	3,260
Decrease (increase) in inventories	(1,296)	1,147	(2,935)
Decrease (increase) in other long-term assets	1,432	1,235	(1,366)
Increase (decrease) in accounts payables and accrued expenses	(2,626)	(2,339)	25,470
Increase (decrease) in other long-term liabilities	(4,394)	(225)	664
Net cash provided by (used in) operating activities	$ 17,780	$ 1,957	$ 99,148
Cash flows from investing activities:			
Purchase of property, equipment and field equipment	$ (3,981)	$ (3,112)	$ (14,968)
Proceeds from maturity of short-term investments	608,000	—	150,000
Purchase of short-term investments	(549,848)	—	(607,879)
Net cash provided by (used in) investing activities	$ 54,171	$ (3,112)	$(472,847)
Cash flows from financing activities:			
Proceeds from issuance of shares, net	$ —	$ —	$ 3,370
Proceeds from long term debt, net	—	—	558,439
Repayment of long-term loan	(6)	(8)	(150,028)
Exercise of options and warrants	7,961	4,511	28,428
Net cash provided by (used in) financing activities	$ 7,955	$ 4,503	$ 440,209
Effect of exchange rate changes on cash, cash equivalents and restricted cash	$ (102)	$ (59)	$ 247
Increase (decrease) in cash, cash equivalents and restricted cash	79,804	3,289	66,757
Cash, cash equivalents and restricted cash at the beginning of the period	246,173	179,416	179,416
Cash, cash equivalents and restricted cash at the end of the period	$325,977	$182,705	$ 246,173

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
Supplemental cash flow activities:			
Cash paid during the period for:			
Income taxes paid (refunded), net	$ (2,405)	$ 2,209	$ (3,261)
Interest paid	$ 1	$ 3,415	$ 8,686
Non-cash activities:			
Right-of-use assets obtained in exchange for lease liabilities	$ 284	783	$ 5,617

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NOVOCURE LIMITED AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
U.S. dollars in thousands (except share data)

NOTE 1: ORGANIZATION AND BASIS OF PRESENTATION

Organization. NovoCure Limited (including its consolidated subsidiaries, the "Company") was incorporated in the Bailiwick of Jersey and is principally engaged in the development, manufacture and commercialization of Tumor Treating Fields ("TTFields") delivery systems, including Optune and Optune Lua (collectively, our "Products"), for the treatment of solid tumor cancers. The Company currently markets Optune in the United States ("U.S."), Austria, Germany, Israel, Japan, Sweden and Switzerland. The Company currently markets Optune Lua in the U.S. The Company also has a License and Collaboration Agreement (the "Zai Agreement") with Zai Lab (Shanghai) Co., Ltd. ("Zai") to market Optune in Greater China.

Financial statement preparation. The accompanying unaudited consolidated financial statements include the accounts of the Company and intercompany accounts and transactions have been eliminated. In the opinion of the Company's management, the consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation for the periods presented. The preparation of these consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. These consolidated financial statements and accompanying notes should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the "2020 10-K') filed with the Securities and Exchange Commission on February 25, 2021.

The significant accounting policies applied in the audited annual consolidated financial statements of the Company as disclosed in the 2020 10-K are applied consistently in these unaudited interim consolidated financial statements, except as noted below:

Recently Adopted Accounting Pronouncements.

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06), which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts in an entity's own equity. Among other changes, ASU 2020-06 removes from GAAP the liability and equity separation model for convertible instruments with a cash conversion feature, and as a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized into income as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Additionally, ASU 2020-06 requires the application of the if-converted method to calculate the impact of convertible instruments on diluted earnings per share (EPS), which is consistent with the Company's accounting treatment under the current standard. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted for fiscal years beginning after December 15, 2020, and can be adopted on either a fully retrospective or modified retrospective basis. The Company early adopted ASU 2020-06, effective January 1, 2021 on a modified retrospective basis.

The impact of the Company's adoption of ASU 2020-06 on the balance sheet as of January 1, 2021 was an increase in long term debt, net of $128,972, a decrease in additional paid-in capital of $132,474, and a decrease in accumulated deficit of $3,502. Interest expense recognized in future periods will be reduced as a result of accounting for the convertible debt instrument as a single liability measured at its amortized cost. For additional information see Note 5 of these unaudited consolidated financial statements.

In December 2019, the FASB issued Accounting Standard Update No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (ASU 2019-12), which simplifies the accounting for income taxes, eliminates certain exceptions within ASC 740, Income Taxes, and clarifies certain aspects of the current guidance. ASU 2019-12 is effective for the Company as of January 1, 2021 and the adoption of this standard did not have a material impact on the Company's consolidated financial statements.

NOTE 2: CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash equivalents include items almost as liquid as cash, such as certificates of deposit and time deposits with maturity periods of three months or less when purchased. As of March 31, 2021 and December 31, 2020, the Company's cash and cash equivalents were composed of:

	March 31, 2021	December 31, 2020
	Unaudited	Audited
Cash	$ 31,849	$ 20,339
Money market funds	282,698	214,335
Total cash and cash equivalents	$ 314,547	$ 234,674

The Company also invests in marketable U.S. Treasury Bills ("T-bills") that are classified as held-to-maturity securities. The amortized cost and recorded basis of the T-bills are presented as short-term investments.

As of March 31, 2021 and December 31, 2020, the Company's short-term investments were:

	March 31, 2021	December 31, 2020
	Unaudited	Audited
Short-term investments	$ 549,855	$ 607,902

Quoted market prices were applied to determine the fair value of cash equivalents and short-term investments, therefore they were categorized as Level 1 in accordance with Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures." The estimated fair value of the Company's short-term investments as of March 31, 2021 and December 31, 2020 was $549,890 and $607,905, respectively.

NOTE 3: INVENTORIES

Inventories are stated at the lower of cost or net realizable value. The weighted average methodology is applied to determine cost. As of March 31, 2021 and December 31, 2020, the Company's inventories were composed of:

	March 31, 2021	December 31, 2020
	Unaudited	Audited
Raw materials	$ 3,376	$ 5,175
Work in progress	9,342	4,896
Finished products	15,250	17,351
Total	$ 27,968	$ 27,422

NOTE 4: COMMITMENTS AND CONTINGENT LIABILITIES

Operating Leases. The facilities of the Company are leased under various operating lease agreements for periods, including options for extensions, ending no later than 2030. The Company also leases motor vehicles under various operating leases, which expire on various dates, the latest of which is in 2024.

Pledged deposits and bank guarantees. As of March 31, 2021 and December 31, 2020, the Company pledged bank deposits of $1,409 and $1,438, respectively, to cover bank guarantees in respect of its leases of operating facilities and obtained bank guarantees for the fulfillment of the Company's lease and other contractual commitments of $1,649 and $1,687, respectively.

Senior secured revolving credit facility. On November 6, 2020, the Company entered into a new three-year $150,000 senior secured revolving credit facility with a syndicate of relationship banks. For additional information, see Note 12(c) to the Consolidated Financial Statements in the 2020 10-K. As of March 31, 2021, the Company had no outstanding balance borrowed under the facility.

NOTE 5: CONVERTIBLE NOTE

On November 5, 2020, the Company issued $575,000 aggregate principal amount of 0% Convertible Senior Notes due 2025 (the “Notes”).

The Notes are senior unsecured obligations of the Company. The Notes do not bear regular interest, and the principal amount of the Notes will not accrete. Special interest, if any, payable in accordance with the terms of the Notes will be payable in cash semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2021. The Notes mature on November 1, 2025, unless earlier repurchased, redeemed or converted. For additional information, see Note 10(a) to the Consolidated Financial Statements in the 2020 10-K.

In January 2021, the Company irrevocably elected to settle all conversions of Notes by a combination of cash and the Company's ordinary shares and that the cash portion per $1,000 principal amount of Notes for all conversion settlements shall be $1,000. Accordingly, from and after the date of the election, upon conversion of any Notes, holders of Notes will receive, with respect to each $1,000 principal amount of Notes converted, cash in an amount up to $1,000 and the balance of the conversion value, if any, in ordinary shares (the "Conversion Shares").

The net carrying amount of the liability and equity components of the Notes as of March 31, 2021 and December 31, 2020 are as follows:

	March 31, 2021	December 31, 2020
	Unaudited	Audited
Liability component, net:		
Principal amount	$ 575,000	$ 575,000
Unamortized discount	—	(132,797)
Unamortized issuance costs	(15,416)	(12,298)
Net carrying amount of liability component (1)	$ 559,584	$ 429,905
Equity component, net:		
Conversion feature	$ —	$ 136,402
Issuance costs	—	(3,928)
Net carrying amount of equity component	$ —	$ 132,474

An effective interest rate determines the fair value of the Notes, therefore they are categorized as Level 3 in accordance with ASC 820, "Fair Value Measurements and Disclosures." The estimated fair value of the Net carrying amount of liability component of the Notes as of March 31, 2021 and December 31, 2020 were $477,841 and $450,437, respectively.

Finance expense related to the Notes was as follows:

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
Amortization of debt discount	$ —	$ —	$ 3,605
Amortization of debt issuance costs	709	—	333
Total finance expense recognized	$ 709	$ —	$ 3,938

Effective January 1, 2021, the Company early adopted ASU 2020-06 using the modified retrospective approach.

NOTE 6: SHARE OPTION PLANS AND ESPP

In September 2015, the Company adopted the 2015 Omnibus Incentive Plan (the "2015 Plan"). Under the 2015 Plan, the Company can issue various types of equity compensation awards such as share options, restricted shares, performance shares, restricted share units ("RSUs"), performance-based share units ("PSUs"), long-term cash awards and other share-based awards.

Options granted under the 2015 Plan generally have a four-year vesting period and expire ten years after the date of grant. Options granted under the 2015 Plan that are canceled or forfeited before expiration become available for future grants. RSUs granted under the 2015 Plan generally vest over a three year period. PSUs granted under the 2015 Plan generally vest between a three and six year period as performance targets are attained. RSUs and PSUs granted under the 2015 Plan that are canceled before expiration become available for future grants. As of March 31, 2021, 14,450,270 ordinary shares were available for grant under the 2015 Plan.

A summary of the status of the Company's option plans as of March 31, 2021 and changes during the period then ended is presented below:

	Three months ended March 31, 2021	
	Unaudited	
	Number of options	Weighted average exercise price
Outstanding at beginning of year	9,220,326	$ 26.21
Granted	375,689	153.09
Exercised	(404,591)	19.36
Forfeited and canceled	(20,911)	62.86
Outstanding as of March 31, 2021	9,170,513	$ 31.63
Exercisable options	5,344,848	$ 18.59

For the three months ended March 31, 2021, options to purchase 404,591 ordinary shares were exercised, resulting in the issuance of 404,591 ordinary shares.

A summary of the status of the Company's RSUs and PSUs as of March 31, 2021 and changes during the period then ended is presented below.

	Three months ended March 31, 2021	
	Unaudited	
	Number of RSU/PSUs	Weighted average grant date fair value
Unvested at beginning of year	4,466,151	$ 54.06
Granted	538,908	139.43
Vested	(448,593)	48.38
Forfeited and cancelled	(12,262)	75.05
Unvested as of March 31, 2021 (1)	4,544,204	64.69

Includes PSUs that have a mix of service, market and other milestone performance vesting conditions which are vested upon achievements of performance milestones which are not probable, as of March 31, 2021, in accordance with ASC 718 as follows:

	March 31, 2021	
Number of PSUs	Fair value at grant date per PSU	Total fair value at gtant date
2,703,852	$ 48.15	$ 130,218
216,226	69.37	15,000
35,424	84.68	3,000
94,813	114.26	10,833
3,050,315	$	$ 159,050

These PSUs will be expensed over the performance period when the vesting conditions become probable in accordance with ASC 718.

In September 2015, the Company adopted an employee share purchase plan (“ESPP”) to encourage and enable eligible employees to acquire ownership of the Company’s ordinary shares purchased through accumulated payroll deductions on an after-tax basis. In the United States, the ESPP is intended to be an “employee stock purchase plan” within the meaning of Section 423 of the Internal Revenue Code and the provisions of the ESPP are construed in a manner consistent with the requirements of such section. As of March 31, 2021, 5,006,367 ordinary shares were available to be purchased by eligible employees under the ESPP.

The fair value of share-based awards was estimated using the Black-Scholes model for all equity grants. For market condition awards, the Company also applied the Monte-Carlo simulation model. We assessed fair value using the following underlying assumptions:

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
Stock Option Plans			
Expected term (years)	5.86-6.00	6.25	5.50-6.00
Expected volatility	60 %	54 %	54%-56%
Risk-free interest rate	0.85%-0.88%	0.86 %	0.30%-0.86%
Dividend yield	0.00 %	0.00 %	0.00 %
ESPP			
Expected term (years)	0.50	0.50	0.50
Expected volatility	55 %	47 %	47%-66%
Risk-free interest rate	0.09 %	1.57 %	0.17%-1.57%
Dividend yield	0.00 %	0.00 %	0.00 %

The total non-cash share-based compensation expense related to all of the Company's equity-based awards recognized for the three months ended March 31, 2021 and 2020 and the year ended December 31, 2020 was:

	Three months ended March 31,		Year ended December 31, 2020
	2021	2020	
	Unaudited		Audited
Cost of revenues	$ 733	$ 590	$ 2,221
Research, development and clinical trials	5,124	3,394	18,125
Sales and marketing	4,471	3,616	17,672
General and administrative	8,535	8,957	37,703
Total share-based compensation expense	$ 18,863	$ 16,557	$ 75,721

NOTE 7: Basic and diluted net income (loss) per ordinary share

Basic net income (loss) per share is computed based on the weighted average number of ordinary shares outstanding during each period. Diluted net income per share is computed based on the weighted average number of ordinary shares outstanding during the period, plus potential dilutive shares (deriving from options, RSUs, PSUs, convertible notes and the ESPP) considered outstanding during the period, in accordance with ASC 260-10, as determined under the if-converted method.

The following table sets forth the computation of the Company's basic and diluted net income (loss) per ordinary share:

	Three months ended March 31,		Year ended December 31, 2020
	2021	2020	
	Unaudited		Audited
Net income (loss) attributable to ordinary shares as reported	$ (4,128)	$ 3,952	$ 19,808
Net income (loss) used in computing basic net income (loss) per share	$ (4,128)	$ 3,952	$ 19,808
Adjustment needed in calculating diluted net income (loss) per share	—	—	—
Net income (loss) used in computing diluted net income (loss) per share	$ (4,128)	$ 3,952	$ 19,808
Weighted average number of ordinary shares used in computing basic net income (loss) per share	102,633,545	99,877,567	100,930,866
Potentially dilutive shares that were excluded from the computation of basic net income (loss) per share:			
Options	—	7,113,992	6,967,554
Restricted share units	—	1,094,385	945,612
ESPP	—	14,679	33,616
Weighted average number of ordinary shares used in computing diluted net income (loss) per share	102,633,545	108,100,623	108,877,648
Weighted anti-dilutive shares outstanding which were not included in the diluted calculation	9,734,269	352,291	1,307,762
Basic net income (loss) per ordinary share	$ (0.04)	$ 0.04	$ 0.20
Diluted net income (loss) per ordinary share	$ (0.04)	$ 0.04	$ 0.18

NOTE 8: SUPPLEMENTAL INFORMATION

The Company operates in a single reportable segment.

The following table presents long-lived assets by location:

	March 31, 2021	December 31, 2020
	Unaudited	Audited
United States	$ 12,418	$ 11,868
Israel	4,552	4,370
Switzerland	4,048	2,849
Japan	1,042	1,230
Germany	1,084	1,075
Others	721	1,233
Total	$ 23,865	$ 22,625

The Company's revenues by geographic region, based on the customer's location, are summarized as follows:

	Three months ended March 31,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
United States	$ 85,908	$ 69,259	$ 340,782
EMEA:			
Germany	26,364	21,802	93,264
Other EMEA	8,619	2,674	18,654
Japan	8,278	6,451	29,076
Greater China (1)	5,526	1,642	12,590
Total net revenues	$ 134,695	$ 101,828	$ 494,366

For additional information, see Note 12 to the Consolidated Financial Statements in the 2020 10-K.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide information to assist you in better understanding and evaluating our financial condition and results of operations. We encourage you to read this MD&A in conjunction with our unaudited consolidated financial statements and the notes thereto for the period ended March 31, 2021 included in Part I, Item 1 of this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risks and uncertainties. Please refer to the information under the heading "Cautionary Note Regarding Forward-Looking Statements" elsewhere in this report. References to the words "we," "our," "us," and the "Company" in this report refer to NovoCure Limited, including its consolidated subsidiaries.

Overview

We are a global oncology company with a proprietary platform technology called Tumor Treating Fields ("TTFields"), which are electric fields tuned to specific frequencies that disrupt cancer cell division. Our key priorities are to drive commercial adoption of Optune and Optune Lua, our commercial TTFields delivery systems, and to advance clinical and product development programs intended to extend overall survival in some of the most aggressive forms of cancer.

Optune is approved by the U.S. Food and Drug Administration ("FDA") under the Premarket Approval ("PMA") pathway for the treatment of adult patients with newly diagnosed GBM in combination with temozolomide, a chemotherapy drug, and for adult patients with GBM following confirmed recurrence after chemotherapy as monotherapy treatment. We also have approval or a CE certificate to market Optune for the treatment of GBM in the European Union ("EU"), Japan and certain other countries. We market Optune in the U.S., Austria, Germany, Israel, Japan, Sweden and Switzerland, which we refer to as our "active markets." With respect to GBM, our sales and marketing efforts are principally focused on driving adoption with both neuro-oncologists and radiation oncologists. We are expanding our commercial operations into France with an initial focus on developing key opinion leader relationships in GBM and establishing a path to reimbursement for our Products.

Optune Lua is approved by the FDA under the Humanitarian Device Exemption ("HDE") pathway to treat MPM in combination with standard chemotherapies. We have received CE certification to market Optune Lua (under the name "NovoTTF-100L") in the EU and Switzerland. We currently market Optune Lua in the U.S., and are evaluating plans to expand access to our therapy for MPM patients in other markets. With respect to MPM, our commercial efforts are principally focused on generating awareness and on establishing a dialogue with third-party payers around access to Optune Lua.

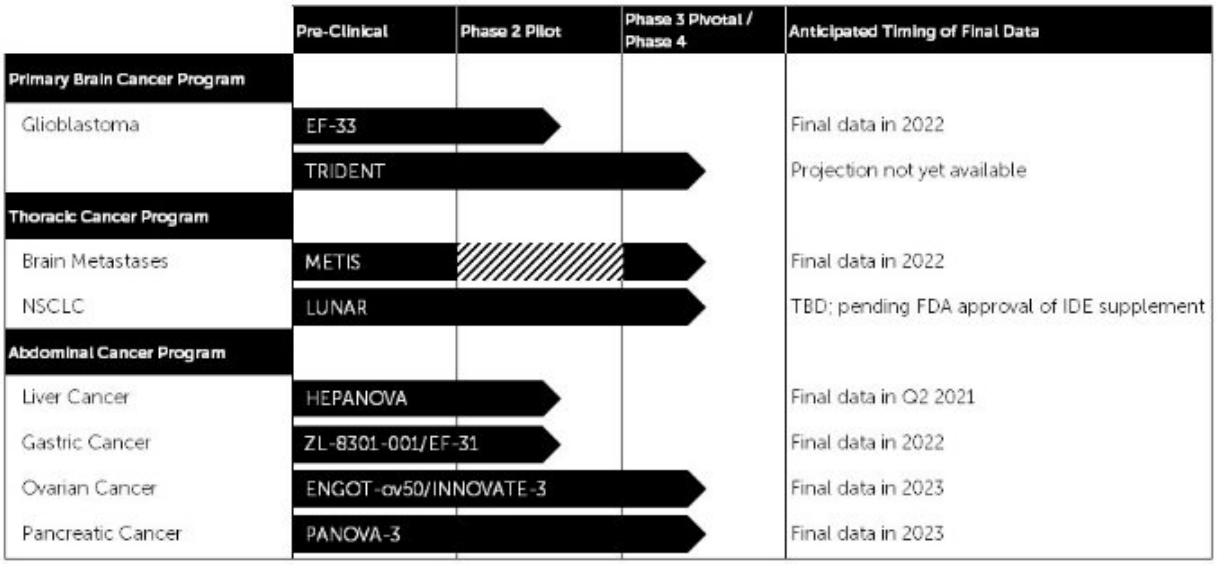
We believe the mechanism of action behind TTFields therapy may be broadly applicable to solid tumor cancers. Currently, we are conducting phase 3 pivotal trials evaluating the use of TTFields in brain metastases from non-small-cell lung cancer ("brain metastases"), non-small-cell lung cancer ("NSCLC"), ovarian cancer and pancreatic cancer. In 2020, we enrolled our first patient in our global phase 4 TRIDENT trial to test the potential survival benefit of initiating Optune concurrent with radiation therapy versus following radiation therapy in patients with newly diagnosed GBM. We recently concluded a phase 2 pilot trial evaluating the use of TTFields in liver cancer and are conducting a phase 2 pilot trial in gastric cancer, as well as testing the potential incremental survival benefit of TTFields delivered using high-intensity arrays versus standard arrays. We anticipate expanding our clinical pipeline over time to study the safety and efficacy of TTFields for additional solid tumor indications and combinations with other cancer treatment modalities.

On April 13, 2021, we announced that an independent data monitoring committee ("DMC") informed Novocure that the pre-specified interim analysis for the phase 3 pivotal LUNAR trial for the treatment of NSCLC was accelerated given the length of accrual and the number of events observed, to date. The interim analysis included data from 210 patients accrued through February 2021. After review of the interim analysis, the DMC concluded that the LUNAR trial should continue with no evidence of increased systemic toxicity. The DMC went on to comment that the continued accrual to 534 patients as proposed in the original protocol, given the current rate of accrual and the interim data presented, is likely unnecessary and possibly unethical for patients randomized to control. For this reason, the DMC recommended an adjustment of accrual to approximately 276 patients with a 12-month follow-up following the enrollment of the last patient. The DMC believes this amended protocol would provide adequate data regarding toxicity and efficacy, providing sufficient overall power, as well as potentially providing important information regarding efficacy within treatment subgroups. We have since filed an IDE supplement incorporating the recommended protocol adjustments for FDA approval.

In April 2021, the FDA approved our investigational device exemption ("IDE") application to initiate the KEYNOTE B36 phase 2 pilot trial to study TTFields with pembrolizumab in first-line NSCLC through our clinical collaboration with MSD (a tradename of Merck & Co.). We are currently evaluating clinical trial sites for initiation.

Also in April 2021, we concluded our phase 2 pilot HEPANOVA trial investigating Tumor Treating Fields together with sorafenib, a kinase inhibitor, in 25 patients with advanced liver cancer. We have submitted an abstract for presentation at an upcoming medical conference in late June and look forward to discussing the full data set with clinicians, investigators and investors in the future.

The table below presents the current status of the ongoing clinical trials in our oncology pipeline and anticipated timing of final data.



Our therapy is delivered through a medical device and we continue to advance our Products with the intention to extend survival and maintain quality of life for patients. We have several product development programs underway that prioritize impact on both TTFields' dose and patient ease of use. Our oncology intellectual property portfolio contains over 185 issued patents and numerous patent applications pending worldwide. We believe we own global commercialization rights to our Products in oncology and are well-positioned to extend those rights into the future as we continue to find innovative ways to improve our Products.

In 2018, we granted Zai Lab (Shanghai) Co., Ltd. ("Zai") a license to commercialize Optune in China, Hong Kong, Macau and Taiwan ("Greater China") under a License and Collaboration Agreement (the "Zai Agreement"). The Zai Agreement also establishes a development partnership intended to accelerate the development of TTFields in multiple solid tumor cancer indications. For additional information, see Note 12 to the Consolidated Financial Statements in the 2020 10-K.

We view our operations and manage our business in one operating segment. For the three months ended March 31, 2021, our net revenues were $134.7 million. Our net loss for the three months ended March 31, 2021, was $4.1 million. As of March 31, 2021, we had an accumulated deficit of $631.7 million. Our net loss resulted primarily from net revenue growth which was more than offset by increasing investments in research and development to advance our pipeline programs and increase acceptance of TTFields across the global oncology community.

Impact of COVID-19

The COVID-19 pandemic did not have a material impact on our financial results through the first quarter of 2021. The pandemic has had and is having an impact on our day-to-day operations, which varies by region based on factors such as geographical spread, stage of containment and recurrence of the pandemic in each region. We believe the prolonged disruption caused by the COVID-19 pandemic is resulting in increased volatility across global health care systems, such as fluctuations in patient volumes and changes in patterns of care in certain regions, which is currently impacting and might continue to impact our business and clinical trials in the future. For example,

we continue to see fluctuations in the timing of surgeries and radiation therapy in certain regions, which has had some adverse influence on the eligible patient population for Optune. TTFields is an emerging modality in cancer care and requires significant educational effort to drive awareness and acceptance of our therapy. We have relied heavily on virtual engagement to manage these educational efforts for nearly a year, which poses challenges to our ability to effectively communicate and engage with our customers and partners around the world.

Given the aggressive nature of the cancers that we treat, we believe that the fundamental value proposition of the TTFields platform remains unchanged. We continue to evaluate and plan for the potential effects of the COVID-19 pandemic on our business moving forward. The extent to which the COVID-19 pandemic may impact our business and clinical trials in the future will depend on further developments, which are highly uncertain and cannot be predicted with confidence. The COVID-19 pandemic may also have the effect of heightening many of the other risks described in our risk factors disclosed in our 2020 10-K.

Critical Accounting Policies and Estimates

In accordance with U.S. generally accepted accounting principles ("GAAP"), in preparing our financial statements, we must make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of net revenues and expenses during the reporting period. We develop and periodically change these estimates and assumptions based on historical experience and on various other factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates.

The critical accounting policies requiring estimates, assumptions and judgments that we believe have the most significant impact on our consolidated financial statements can be found in our 2020 10-K. For additional information, see Note 1 to our unaudited consolidated financial statements in Part I, Item 1 of this Quarterly Report. There were no other material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our 2020 10-K.

Commentary on Results of Operations

Net revenues. Our revenues are primarily derived from patients using our Products in our active markets. We charge for treatment with our Products on a monthly basis. Our potential net revenues per patient are determined by our ability to secure payment, the monthly fee we collect and the number of months that the patient remains on therapy.

We also receive revenues pursuant to the Zai Agreement. For additional information regarding the Zai Agreement, see Note 12 to the Consolidated Financial Statements in our 2020 10-K.

Cost of revenues. We contract with third parties to manufacture our Products. Our cost of revenues is primarily comprised of the following:

- disposable arrays;
- depreciation expense for the field equipment, including the electric field generator used by patients; and
- personnel and overhead costs such as facilities, freight and depreciation of property, plant and equipment associated with managing our inventory, warehousing and order fulfillment functions.

Operating expenses. Our operating expenses consist of research, development and clinical trials, sales and marketing and general and administrative expenses. Personnel costs are a significant component for each category of operating expenses and consist of wages, benefits and bonuses. Personnel costs also include share-based compensation.

Financial expenses, net. Financial expenses, net primarily consists of credit facility interest expense and related debt issuance costs, interest income from cash balances and short-term investments and gains (losses) from foreign currency transactions. Our reporting currency is the U.S. dollar. We have historically held substantially all of our cash balances in U.S. dollar denominated accounts to minimize the risk of translational currency exposure.

Results of Operations

The following discussion provides an analysis of our results of operations and reasons for material changes therein for the three months ended March 31, 2021 as compared to the three months ended March 31, 2020. The tables contained in this section report U.S. dollars in thousands (except share, patient, and prescription data).

The following table sets forth our consolidated statements of operations data:

	Three months ended March 31,	
	2021	2020
	Unaudited	
Net revenues	$ 134,695	$ 101,828
Cost of revenues	26,385	24,496
Gross profit	108,310	77,332
Operating costs and expenses:		
Research, development and clinical trials	45,916	25,271
Sales and marketing	31,357	28,834
General and administrative	31,125	26,608
Total operating costs and expenses	108,398	80,713
Operating income (loss)	(88)	(3,381)
Financial expenses (income), net	2,646	2,432
Income (loss) before income taxes	(2,734)	(5,813)
Income taxes	1,394	(9,765)
Net income (loss)	$ (4,128)	$ 3,952
Basic net income (loss) per ordinary share	$ (0.04)	$ 0.04
Weighted average number of ordinary shares used in computing basic net income (loss) per share	102,633,545	99,877,567
Diluted net income (loss) per ordinary share	$ (0.04)	$ 0.04
Weighted average number of ordinary shares used in computing diluted net income (loss) per share	102,633,545	108,100,623

The following table details the share-based compensation expense included in costs and expenses:

	Three months ended March 31,	
	2021	2020
	Unaudited	
Cost of revenues	$ 733	$ 590
Research, development and clinical trials	5,124	3,394
Sales and marketing	4,471	3,616
General and administrative	8,535	8,957
Total share-based compensation expense	$ 18,863	$ 16,557

Key performance indicators

We believe certain commercial operating statistics are useful to investors in evaluating our commercial business as they help our management team and investors evaluate and compare the adoption of our Products from period to period. The number of active patients on therapy is our principal revenue driver. An "active patient" is a patient who is receiving treatment under a commercial prescription order as of the measurement date, including patients who may be on a temporary break from treatment and who plan to resume treatment in less than 60 days. Prescriptions are a leading indicator of demand. A "prescription received" is a commercial order for Optune or Optune Lua that is received from a physician certified to treat patients with our Products for a patient not previously on Optune or Optune Lua. Orders to renew or extend treatment are not included in this total.

The following table includes certain commercial operating statistics for and as of the end of the periods presented.

	March 31,	
Operating statistics	**2021**	**2020**
Active patients at period end		
United States	2,183	2,023
EMEA:		
Germany	594	514
Other EMEA	406	336
Japan	271	222
Total	3,454	3,095

	Three months ended March 31,	
	2021	2020
Prescriptions received in period		
United States	917	986
EMEA:		
Germany	248	207
Other EMEA	134	122
Japan	103	94
Total	1,402	1,409

In the U.S., there were 17 active MPM patients on therapy as of March 31, 2021 and 11 MPM prescriptions were received in the three months ended March 31, 2021.

Three months ended March 31, 2021 compared to three months ended March 31, 2020

	Three months ended March 31,		
	2021	2020	% Change
Net revenues	$ 134,695	$ 101,828	32 %

Net revenues. Net revenues increased 32% to $134.7 million for the three month period ending March 31, 2021 from $101.8 million for the same period in 2020. The increase resulted primarily from an increase of 359 active patients in our currently active markets, representing 12% growth, and a durable improvement in the net revenues booked per active patient.

We recorded $9.4 million in revenues from Medicare fee-for-service beneficiaries billed under the coverage policy effective on September 1, 2019 for the three month period ended March 31, 2021, an increase of 32% from the $7.1 million recognized in the same period in 2020. We have gained a good understanding of how to ensure timely processing of Medicare claims and we believe that we have sufficient experience to recognize approximately two-thirds of the expected contribution from Medicare beneficiaries.

In the first quarter of 2021, incremental net revenues resulting from the successful appeal of previously denied claims for Medicare fee-for-service beneficiaries billed prior to established coverage reverted to normalized levels from the first half of 2020.

	Three months ended March 31,		
	2021	2020	% Change
Cost of revenues	$ 26,385	$ 24,496	8 %

Cost of revenues. Our cost of revenues increased by 8%, to $26.4 million for the three months ended March 31, 2021 from $24.5 million for the same period in 2020. For the three month period, the increase in cost of revenues was primarily due to the cost of shipping transducer arrays to a higher volume of commercial patients and increasing shipments of equipment to Zai Lab. Excluding sales to Zai, cost of revenues per active patient per month decreased 9% to $2,415 for the three months ended March 31, 2021 from $2,641 for the same period in 2020 due to on-going efficiency initiatives and scale.

Cost of revenues per active patient is calculated by dividing the cost of revenues for the quarter less equipment sales to Zai for the quarter by the average of the active patients at the end of the prior quarter and the ending active patients in the current quarter. This quarterly figure is then divided by three to estimate the monthly cost of revenues per active patient. Sales to Zai are deducted because they are sold at cost and in anticipation of future royalties from Zai, and Zai patient counts are not included in our active patient population. Product sales to Zai totaled $1.5 million for the quarter ended March 31, 2021 compared to $0.7 million for the quarter ended March 31, 2020.

Gross margin was 80% for the three months ended March 31, 2021 compared to 76% for the three months ended March 31, 2020.

Operating Expenses.

	Three months ended March 31,		
	2021	2020	% Change
Research, development and clinical trials	$ 45,916	$ 25,271	82 %
Sales and marketing	31,357	28,834	9 %
General and administrative	31,125	26,608	17 %
Total operating expenses	$ 108,398	$ 80,714	34 %

Research, development and clinical trials expenses. Research, development and clinical trials expenses increased 82% to $45.9 million for the three month period ended March 31, 2021 from $25.3 million for the same period in 2020. For the three month period, the change is primarily due to an increase in clinical trial and personnel expenses for our phase 3 pivotal and post-marketing trials, an increase in development and personnel expenses to support our product development programs, increased investments in preclinical research and the expansion of our medical affairs activities.

Sales and marketing expenses. Sales and marketing expenses increased 9% to $31.4 million for the three months ended March 31, 2021 from $28.8 million for the same period in 2020. For the three month period, the change was primarily due to an increase in personnel and professional services costs to support our growing commercial business and reimbursement efforts.

General and administrative expenses. General and administrative expenses increased 17% to $31.1 million for the three months ended March 31, 2021 from $26.6 million for the same period in 2020. For the three month period, the change was primarily due to an increase in personnel costs and professional services.

	Three months ended March 31,		
	2021	2020	% Change
Financial expenses (income), net	$ 2,646	$ 2,432	9 %

Financial expenses, net. Financial expenses increased 9% to $2.6 million for the three months ended March 31, 2021 from $2.4 million for the same period in 2020. For the three month period, the increase was primarily due to foreign currency translation expenses, partially offset by the absence of interest payments as a result of the loan repayment in August 2020.

	Three months ended March 31,		
	2021	2020	% Change
Income taxes	$ 1,394	$ (9,765)	(114)%

Income taxes. Income taxes increased $11.2 million or 114% to an expense of $1.4 million for the three months ended March 31, 2021 from a benefit of $9.8 million for the same period in 2020. In the first quarter of 2020, a net one-time tax benefit of $11.3 million was recorded in response to the changes in the U.S. tax code related to the economic impacts of the COVID-19 pandemic. The variance also reflects a change in the mix of applicable statutory tax rates in certain active jurisdictions.

Non-GAAP financial measures

We also measure our performance using a non-GAAP measurement of earnings before interest, taxes, depreciation, amortization and shared-based compensation (“Adjusted EBITDA”). We believe Adjusted EBITDA is useful to investors in evaluating our operating performance because it helps investors evaluate and 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.

We calculate Adjusted EBITDA as operating income before financial expenses and income taxes, net of depreciation, amortization and share-based compensation. The following table reconciles net income (loss), which is the most directly comparable GAAP operating performance measure, to Adjusted EBITDA.

	Three months ended March 31,		
	2021	2020	% Change
Net income (loss)	$ (4,128)	$ 3,952	(204)%
Add: Income tax	1,394	(9,765)	(114)%
Add: Financial income (expenses), net	2,646	2,432	9 %
Add: Depreciation and amortization	2,370	1,888	26 %
EBITDA	$ 2,282	$ (1,493)	(253)%
Add: Share-based compensation	18,863	16,557	14 %
Adjusted EBITDA	$ 21,145	$ 15,064	40 %

Adjusted EBITDA increased by 40% to $21.1 million for the three months ended March 31, 2021 from $15.1 million for the same period in 2020. This improvement in fundamental financial performance was driven by net revenue growth partially offset by research and development investments to advance our pipeline programs and increase acceptance of TTFields across the global oncology community.

Liquidity and Capital Resources

We have incurred significant losses and cumulative negative cash flows from operations since our founding in 2000. As of March 31, 2021, we had an accumulated deficit of $631.7 million. To date, we have primarily financed our operations through the issuance and sale of equity and the proceeds from long-term loans.

At March 31, 2021, we had $864.4 million in cash, cash equivalents and short-term investments, an increase of $21.8 million compared to $842.6 million at December 31, 2020. The increase in our cash, cash equivalents and short-term investments was primarily due to the cash flow from operations and the exercise of options.

We believe our cash, cash equivalents and short-term investments as of March 31, 2021 are sufficient for our operations for at least the next 12 months based on our existing business plan and our ability to control the timing of significant expense commitments. We expect that our research, development and clinical trials expenses, sales and marketing expenses and general and administrative expenses will continue to increase over the next several years and may outpace our gross profit. As a result, we may need to raise additional capital to fund our operations.

The following summary of our cash flows for the periods indicated has been derived from our unaudited consolidated financial statements, which are included elsewhere in this Quarterly Report:

	Three months ended March 31,			
	2021	2020	Change	% Change
Net cash provided by operating activities	$ 17,780	$ 1,957	$ 15,823	809 %
Net cash provided by (used in) investing activities	54,171	(3,112)	57,283	(1841)%
Net cash provided by (used in) financing activities	7,955	4,503	3,452	77 %
Effect of exchange rate changes on cash and cash equivalents	(102)	(59)	(43)	73 %
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 79,804	$ 3,289	$ 76,515	2326 %

Operating activities. Net cash provided by operating activities primarily represents our net income (loss) for the periods presented. Adjustments to net income (loss) for non-cash items include share-based compensation, depreciation and amortization, and asset write-downs. Operating cash flows are also impacted by changes in operating assets and liabilities, principally trade payables, deferred revenues, other payables, prepaid expenses, inventory and trade receivables.

Net cash provided by operating activities was $17.8 million for the three months ended March 31, 2021, as compared to $2.0 million provided by operating activities for the three months ended March 31, 2020. Gross profit increased by $31.0 million for the three months ended March 31, 2021 versus the three months ended March 31, 2020, fully funding incremental investments of $20.6 million in research and development and $7.0 million in sales, marketing, general and administrative expenses. The increase in positive cash flow from operations was primarily driven by higher cash earnings, lower interest payments, the receipt of income tax refunds, as well as the timing of receipts and payments in the ordinary course of business.

Investing activities. Our investing activities consist primarily of capital expenditures to purchase property and equipment and field equipment, as well as investments in and redemptions of our short-term investments.

Net cash provided by investing activities was $54.2 million for the three months ended March 31, 2021, compared to $3.1 million used in investing activities for the three months ended March 31, 2020. The net cash provided by investing activities for the three months ended March 31, 2021 was primarily attributable to $58.2 million of net proceeds from maturity of short-term investments, partially offset by the purchase of $4.0 million of property and equipment. The net cash used in investing activities for the three months ended March 31, 2020 was primarily attributable to the purchase of $3.1 million of property and equipment.

Financing activities. To date, our primary financing activities have been the sale of equity and the proceeds from long-term loans. Net cash provided by financing activities was $8.0 million for the three months ended March 31, 2021, as compared to $4.5 million provided by financing activities for the three months ended March 31, 2020. The net cash provided by financing activities for the three months ended March 31, 2021 was due to $8.0 million of

proceeds from the exercise of options. The net cash provided by financing activities for the three months ended March 31, 2020 was due to $4.5 million of proceeds from the exercise of options.

Convertible Notes

On November 5, 2020, we issued $575.0 million aggregate principal amount of 0% Convertible Senior Notes due 2025 (the “Notes”). The Notes are senior unsecured obligations. The Notes do not bear regular interest, and the principal amount of the Notes will not accrete. The Notes are convertible at an initial conversion rate of 5.9439 ordinary shares per $1,000 principal amount of the Notes, which is equivalent to an initial conversion price of approximately $168.24 per ordinary share. Prior to the close of business on July 31, 2025, the Notes are convertible at the option of the holders only upon the satisfaction of certain conditions and during certain periods and if the Company exercises its right to redeem the Notes as permitted or required by the indenture. On or after August 1, 2025 until the close of the business on the business day immediately preceding the maturity date, holders may convert all or any portion of their Notes at the conversion rate at any time irrespective of the foregoing conditions.

In January 2021, we irrevocably elected to settle all conversions of Notes by a combination of cash and our ordinary shares and that the cash portion per $1,000 principal amount of Notes for all conversion settlements shall be $1,000. Accordingly, from and after the date of the election, upon conversion of any Notes, holders of Notes will receive, with respect to each $1,000 principal amount of Notes converted, cash in an amount up to $1,000 and the balance of the conversion value, if any, in our ordinary shares

For more information, see Note 10(a) to the Consolidated Financial Statements in the 2020 10-K.

Term loan credit facility

On November 6, 2020, we entered into a new three-year $150.0 million senior secured revolving credit facility with a syndicate of relationship banks (the "2020 Credit Facility"). We may, subject to certain conditions and limitations, increase the revolving credit commitments outstanding under the 2020 Credit Facility or incur new incremental term loans in an aggregate principal amount not to exceed an additional $100.0 million.

The commitments under the 2020 Credit Facility are guaranteed by certain of our subsidiaries and secured by a first lien on our and certain of our subsidiaries’ assets. Outstanding loans will bear interest at a sliding scale based on our secured leverage ratio from LIBOR plus 2.75% to LIBOR plus 3.25% per annum. Additionally, the 2020 Credit Facility contains a fee for the unused revolving credit commitments at a sliding scale based on our secured leverage ratio from 0.35% to 0.45%. The 2020 Credit Facility contains financial covenants requiring maintenance of a minimum fixed charge coverage ratio and specifying a maximum senior secured net leverage ratio, as well as customary events of default which include a change of control. As of March 31, 2021, we were in compliance with such covenants.

As of March 31, 2021, we had no outstanding balance borrowed under the 2020 Credit Facility.

Contractual Obligations and Commitments

There have been no material changes from the information disclosed in our 2020 10-K.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements as defined under U.S. Securities and Exchange Commission (“SEC”) rules.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes from the information disclosed in our 2020 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2021. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means

controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of March 31, 2021, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2021, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in various legal proceedings, claims, investigations and litigation that arise in the ordinary course of our business. Litigation is inherently uncertain. Accordingly, we cannot predict with certainty the outcome of these matters. After considering a number of factors, including (but not limited to) the views of legal counsel, the nature of contingencies to which the Company is subject and prior experience, management believes that the ultimate disposition of these legal actions will not materially affect its consolidated financial position or results of operations.

Item 1A. Risk Factors

There have been no material changes to our risk factors disclosed in Part I, Item 1A “Risk Factors” in the 2020 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.1	Employment Agreement, dated as of February 3, 2017 by and between Novocure USA LLC and Todd Longsworth#				X
10.2	Non-Employee Director Compensation Program#				X
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended				X
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended				X
32.1*	Certification of Principal Executive Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350				X
32.2*	Certification of Principal Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350				X
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Extension Presentation Linkbase Document				X
104	Cover Page Interactive Date File (formatted as Inline XBRL and contained in Exhibit 101)				X

* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of NovoCure Limited under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

\# Compensation plans and arrangements for executive officers and others.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NovoCure Limited

Date: April 29, 2021

/s/ Ashley Cordova

Ashley Cordova
Chief Financial Officer
(principal financial and accounting officer
and duly authorized officer)

February 3, 2017

Mr. Todd Longsworth

132 Trianon Lane
Villanova, PA 19085

NOVOCURE LLC

195 Commerce Way
Portsmouth, NH 03801

EMPLOYEE AGREEMENT

Dear Todd:

The purposes of this letter (this "Agreement") are to amend and restate the terms and conditions of your Prior Agreement (as defined below) and to set forth and acknowledge certain terms of your continued employment with the Novocure Group. Your formal employment relationship will continue to be with Novocure USA LLC, a Delaware limited liability company (the "Company ") and a wholly owned subsidiary of NovoCure Limited, a Jersey (Channel Islands) corporation (the "Parent"). References herein to the "Novocure Group" shall mean and refer to, collectively, the Parent, the Company and their respective direct and indirect subsidiaries and affiliates. Upon the date this Agreement is executed {the "Effective Date "), this Agreement will supersede and replace in its entirety the employment letter agreement between you and the Company, dated as of March 27, 2012 (the "Prior Agreement").

1. **Start Date.** The Company shall continue to employ you, and you shall continue to serve the Company, on the terms and conditions set forth in this Agreement. Your employment with the Company initially commenced on April 30, 2012 (the "Start Date"). From and after the Effective Date, you will continue to carry out your day-to-day activities hereunder in an office of the Company located in the Malvern, Pennsylvania area.

2. **Duties and Responsibilities.** While you are employed by the Company, you will serve as and have the title of General Counsel of the Novocure Group, and you will report to, and be subject to the reasonable direction and control of, the President and Chief Executive Officer of the Company (the "CEO") as well as the board of managers (or similar governing body) of the Company and the board of directors of Parent (the "Board"). You will have such duties and responsibilities that are commensurate with your position and such other duties and responsibilities as are from time to time reasonably and lawfully assigned to you by the CEO and of a similarly-situated executive officer of a similarly-sized public company. While you are employed by the Company, you will devote your full business time, energy and skill to the performance of your duties and responsibilities hereunder; provided, that nothing in this Agreement shall prevent you from accepting appointment to or continuing to serve on any board of directors or trustees of any non-competing business corporation, charitable organization or other entity with the consent of the CEO or the Board, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, you will not engage in any activities that could create an actual or perceived business or fiduciary conflict of interest with the Novocure Group or unreasonably interfere with the conduct of your obligations under this Agreement or any Novocure Group policy or applicable law or regulation (including the laws of any stock exchange on which the shares of Parent stock are listed).

3. **Base Salary and Discretionary Annual Bonus.** (a) While you are employed by the Company, the Company will pay you a base salary (the "Base Salary") at the rate of $375,000 per year (effective as of January 1, 2017) (the "Initial Base Salary"). Your Base Salary will be paid in accordance with the usual payroll practices of the Company. While you are employed by the Company, your Base Salary will be reviewed from time to time for possible adjustment by the compensation committee of the Board.

(b) You will be eligible to receive a discretionary annual cash bonus having a payout at the target level of performance of fifty percent (50%) of your Base Salary (the "Target Bonus") for each calendar year that you are employed by the Company, payable during the first calendar quarter of the year following the year to which the bonus relates, subject to your continued employment through the payment date (or as otherwise provided herein). Such bonus will be subject to your successful achievement of performance goals set by the CEO or the Board (or committee thereof) and provided to you in writing, in their sole discretion, including, without limitation, goals based on the operating results of the Novocure Group or your individual performance.

4. **Stock Options.** While you are employed by the Company, you will be eligible to participate in the Parent's 2015 Omnibus Incentive Plan or such other equity-based long-term incentive compensation plan, program or arrangement generally made available to similarly situated senior executives of the Company from time to time (the "Plan"), as determined in the sole and absolute discretion of the Board of Directors of the Parent (the "Parent Board") or authorized committee thereof.

5. Benefits and Fringes.

(a) **General.** Except as provided otherwise herein and except as provided in paragraph (b) below in respect of health benefits, while you are employed by the Company, you will be entitled to such benefits and fringes, if any, as are generally provided from time to time by the Company to its similarly-situated executive employees, subject to the satisfaction of any eligibility requirements.

(b) **Health Benefits.** While you are employed by the Company, you and your eligible dependents will be permitted to participate in such medical, dental and other benefit plans, programs or arrangements established by the Company from time to time for similarly-situated executive employees, subject to the satisfaction of any eligibility requirements.

(c) **Vacation.** You will be entitled to four (4) weeks of annual paid vacation in accordance with the Company's vacation policies in effect from time to time, which may be taken at such times as you elect with due regard to the needs of the Company.

(d) **Reimbursement of Business and Other Allowances.** (i) Upon presentation of appropriate documentation and subject to Section 11(c), you will be reimbursed in accordance with the Company's expense reimbursement policy as in effect from time to time for all reasonable and necessary business expenses incurred in connection with the performance of your duties and responsibilities hereunder, (ii) you will be reimbursed promptly for all reasonable legal fees and expenses incurred in assisting with the negotiation of this Agreement and (iii) you will receive a monthly automobile allowance of $1,000.

6. Termination of Employment.

(a) At all times, your employment with the Company is "at-will," which means that employment with the Company may be terminated by the Company at any time with or without Cause (as defined below) or by you at any time with or without Good Reason (as defined below). For purposes of this Agreement, "Cause" shall mean a determination by the Board that any of the following have occurred: (i) your failure to follow the lawful and reasonable directives of the Company or the Board; (ii) your material violation of any material Company policy, including any provision of a Code of Conduct or Code of Ethics adopted by the Company; (iii) your commission of any act of fraud, embezzlement, dishonesty or any other willful or gross misconduct that in the reasonable judgment of the Board has caused or is reasonably expected to result in material injury to the Company; (iv) your unauthorized use or disclosure of any proprietary information or trade secrets of any member of the Novocure Group or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company that in the reasonable judgment of the Board has caused or is reasonably expected to result in material injury to the Company: (v) your conviction of, or plea of guilty or *"nolo contendere"* to, a felony or misdemeanor (other than a minor traffic offense); or (vi) your material breach of any of your obligations under this Agreement or any written agreement between you and any member of the

Novocure Group. Except for any such event or condition which, but its nature, cannot reasonably be expected to be cured, with respect to the events or conditions described in clauses (i), (ii) or (vi), you shall have thirty (30) days after receipt of written notice from the Company specifying the events or conditions constituting Cause in reasonable detail within which to cure any events or conditions constituting Cause, provided that the Company serves notice of such events or conditions and intended termination within sixty (60) days of the occurrence thereof, and such Cause shall not exist unless either you are not entitled to notice under this sentence, or, if you are entitled to such notice, you fail to cure such acts constituting Cause within such thirty (30)-day cure period. Termination of your employment shall not be deemed to be for Cause unless, prior to termination, the Company delivers to you copies of resolutions duly adopted by the affirmative vote of not less than a majority of the Board (after reasonable written notice is provided to you and you are given a reasonable opportunity, together with counsel, to be heard before the Board), finding that you have engaged in the conduct described in any of (i)-(vi) above.

(b) Subject to Sections 6(c), 6(d) and 11(c), upon termination of your employment for any reason, the Company will have no obligations under this Agreement other than to pay or provide you: (w) any unpaid Base Salary through the date of termination, in a lump sum in cash within 30 days after the date of termination; (x) payment in respect of your earned but unused vacation time through the date of termination (but not in excess of one year's vacation time) in a lump sum in cash within 30 days after the date of termination; (y) reimbursement for any unreimbursed expenses incurred consistent with Novocure Group policies then in effect through the date of termination, in a lump sum in cash within 30 days after the date of termination; and (z) benefits in accordance with the terms of the applicable plans and programs of the Company (collectively, including the timing of payment or provision, the "Accrued Benefits").

(c) In addition to the Accrued Benefits, upon a termination of your employment by (i) the Company other than (A) for Cause or (B) as a result of your death or Disability (as defined in the Plan) or (ii) you for Good Reason (a "Qualifying Termination"), then, except as otherwise set forth in Section 6(d) below, and subject to your timely execution and delivery to the Company of a release of claims in substantially the form attached hereto as Exhibit A (the "Release") within twenty-one (21) days, or if required by law, forty-five (45) days, following the date of the Qualifying Termination, and the expiration of the seven (7)-day right of revocation with respect to the Release, the Company shall provide you with the following: (I) an aggregate amount equal to seventy-five percent (75%) of your annual Base Salary, at the highest level in effect within the six (6) month period ending on the date of the Qualifying Termination (the "Qualified Base Salary"), payable in one lump sum and (II) provided you timely elect and remain eligible for continuation coverage pursuant to Part 6 of Title I of ERISA ("COBRA"), the Company shall pay or reimburse you an amount equal to the full monthly premium for COBRA continuation coverage under the Company's medical plan as in effect as of the date of the Qualifying Termination with respect to the level of coverage in effect for you and your eligible dependents as of such date, on a monthly basis on the first business day of the calendar month next following the calendar month in which the applicable COBRA premiums were paid (the "COBRA Benefit"), with respect to the period from the date of the Qualifying Termination until the earlier of (x) the date nine (9) months following such date and (y) the date on which you accept employment from a third party which third party employer provides to you comparable health and medical benefits. Subject to Section 11(c) of this Agreement, the payments described in this Section 6(c) will be paid or provided (or begin to be paid or provided) as soon as administratively practicable after the Release becomes irrevocable (and any amount which would have otherwise been paid prior to such date paid in a lump sum at such time, and any remaining payments on the schedule described above); provided that with respect to any such amounts that constitute "nonqualified deferred compensation" subject to Section 409A (as defined below), if the period during which you may consider and revoke the Release begins in one taxable year and ends in a second taxable year, no such payments shall be made until the second taxable year.

(d) In addition to the Accrued Benefits, upon a Qualifying Termination within twelve (12) months following a Change in Control (as defined in the Plan), then, in lieu of the payments

and benefits under Section 6(c) above, and subject to your timely execution and non revocation of the Release within twenty-one (21) days, or if required by law, forty-five (45) days, following the date of such Qualifying Termination, and the expiration of the seven (7)-day right of revocation with respect to the Release, the Company shall provide you with the following: (I) an aggregate amount equal to one hundred fifty percent (150%) of the sum of your annual Base Salary and your Target Bonus, at the levels in effect as of the date of the Qualifying Termination, payable in one lump sum; (II) the COBRA Benefit with respect to the period from the date of the Qualifying Termination until the earlier of (x) the date twelve (12) months following such date and (y) the date on which you accept employment from a third party which third party employer provides to you comparable health and medical benefits; and (Ill) all stock options or other equity or equity-based awards held by you that have not previously become vested and (if applicable) exercisable as of the date of the Qualifying Termination shall, upon such termination, become immediately and fully vested and exercisable, without regard to the terms of any applicable award agreement or plan document, and such awards shall otherwise continue to apply on the same terms. Subject to Section 11(c) of this Agreement, the payments described in this Section 6(d) will be paid or provided (or begin to be paid or provided) as soon as administratively practicable after the Release becomes irrevocable (and any amount which would have otherwise been paid prior to such date paid in a lump sum at such time, and any remaining payments on the schedule described above); provided that with respect to any such amounts that constitute "nonqualified deferred compensation" subject to Section 409A (as defined below), if the period during which you may consider and revoke the Release begins in one taxable year and ends in a second taxable year, no such payments shall be made until the second taxable year.

(e) For purposes of this Agreement, "Good Reason" shall mean that you have complied with the "Good Reason Process" following the occurrence of any of the following events: (i) the Company's material failure to make in full any required payment to you hereunder; (ii) the substantial diminution of your position, reporting relationship, duties or responsibilities through no fault of your own; (iii) a reduction in your Base Salary or Target Bonus of more than ten percent (10%), unless such reduction is applied to all senior executives; (iv) a requirement that you move your principal business location to one that would increase your commute by more than thirty (30) miles from the location in effect on the Effective Date; or (v) the Company's willful breach of any of its material obligations under any written agreement with you. For purposes of this Agreement, "Good Reason Process" shall mean that (a) you notify the Company and the Board in writing of the occurrence of the alleged Good Reason condition within sixty (60) days of you becoming aware of the occurrence of such condition; (b) the Company shall have a period of thirty (30) days following such notice (the "Cure Period") to remedy the alleged condition, during which time you cooperate in good faith with the Company's efforts to remedy the condition; (c) the alleged Good Reason condition is not remedied during the Cure Period; and (d) you terminate your employment within sixty (60) days after the end of the Cure Period. If the Company cures the alleged Good Reason condition during the Cure Period in your reasonable good faith judgment, Good Reason shall be deemed not to have occurred.

7. **Covenants**.

(a) **Non-Competition.** So long as you are employed by the Company under this Agreement and for the nine (9)-month period following the termination of your employment with the Company for any reason (the "Restricted Period"), you agree that you will not, directly or indirectly, without the prior written consent of the Company, engage in Competition with the Novocure Group. "Competition" means participating, directly or indirectly, as an individual proprietor, partner, stockholder, officer, employee, director, joint venturer, investor, lender, consultant or in any other capacity whatsoever in any business or in the development of any business if (A) such business competes or would compete with the business of the Novocure Group (it being understood that the business of the Novocure Group is the development and commercialization of its proprietary tumor treating fields (TTF) therapy for the treatment of solid tumor cancers (the "Business")) and (B) your activities related to such business would create the opportunity for you to use confidential and proprietary information of the Novocure Group in connection with any other product being developed, manufactured, supplied or sold

by any such business or business under development that competes with or upon introduction of a product would compete with the Business. For the avoidance of doubt and by way of example, the foregoing restrictions would not preclude you from being employed by a pharmaceutical company during the Restricted Period to the extent that your activities at such pharmaceutical company would not be directly related to the development, marketing or sale of products that are directly competitive with the Business. Notwithstanding the foregoing, nothing contained in this Section 7(a) shall prohibit you from (i) investing, as a passive investor, in any publicly held company provided that your beneficial ownership of any class of such publicly held company's securities does not exceed one percent (1%) of the outstanding securities of such class, or (ii) with the consent of the Board, entering the employ of any academic institution or governmental or regulatory instrumentality of any country or any domestic or foreign state, county, city or political subdivision.

(b) **Confidentiality.** You agree that you will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person or entity, other than in the course of your assigned duties hereunder and for the benefit of the Novocure Group, either while you are employed by the Company hereunder or at any time thereafter, any business and technical information or trade secrets, nonpublic, proprietary or confidential information, knowledge or data relating to the Novocure Group, whether the foregoing will have been obtained by you during your employment or otherwise. The foregoing will not apply to information that (i) was known to the public prior to its disclosure to you; (ii) becomes generally known to the public or in the industry subsequent to disclosure to you through no wrongful act by you or any of your representatives; or (iii) you are required to disclose by applicable law, regulation or legal process (provided that you provide the Company with prior notice of the contemplated disclosure and cooperate with the Company in seeking a protective order or other appropriate protection of such information). Notwithstanding the foregoing or any other provision in this Agreement or otherwise, nothing herein shall prohibit you from reporting possible violations of federal or state law or regulation to any governmental agency or entity or self-regulatory organization including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal or state law or regulation (it being understood that you do not need the Company's prior authorization to make any such reports or disclosures and you are not required to notify the Company that you have made such reports or disclosures).

(c) **Non-Solicitation of Customers.** You agree that during the Restricted Period, you will not, directly or indirectly, solicit or influence, or attempt to solicit or influence, customers of the Novocure Group to purchase goods or services then sold by the Novocure Group from any other person or entity.

(d) **Non-Solicitation of Suppliers.** You agree that during the Restricted Period, you will not, directly or indirectly, solicit or influence, or attempt to solicit or influence, the Novocure Group's suppliers to provide goods or services then provided to the Novocure Group to any other person or entity in Competition with the Novocure Group.

(e) **Non-Solicitation of Employees.** You recognize that you will possess confidential information about other employees of the Novocure Group relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with customers of the Novocure Group. You recognize that the information you possess and will possess about these other employees is not generally known, is of substantial value to the Novocure Group in developing its business and in securing and retaining customers, and has been and will be acquired by you because of your business position with the Novocure Group. You agree that, during the Restricted Period, you will not (x) directly or indirectly, individually or on behalf of any other person or entity solicit or recruit any employee of the Novocure Group to leave such employment for the purpose of being employed by, or rendering services to, you or any person or entity unaffiliated with the Novocure Group; provided, however, that general advertisements or solicitations of employment not directed to any particular employee shall not be deemed to be a solicitation or recruitment in violation of this provision, or (y)

convey any such confidential information or trade secrets about other employees of the Novocure Group to any person or entity other than in the course of your assigned duties hereunder and for the benefit of the Novocure Group or as otherwise required by law or judicial or administrative process.

(f) **Non-Disparagement.** You and the Novocure Group agree that neither will, nor induce others to, Disparage the Novocure Group or any of their past or present officers, directors, employees or products, or you. "Disparage" will mean you or any Novocure Group officer or director making comments or statements to the press, the Novocure Group's employees or any individual or entity with whom the Novocure Group has a business relationship, or any prospective new employer or client of yours, that would adversely affect in any manner: (i) the conduct of the business of the Novocure Group (including, without limitation, any products or business plans or prospects); or (ii) the business reputation of the Novocure Group, or any of its products, or its past or present officers, directors, employees, stockholders and affiliates, or you. Nothing in this Section 7(f) shall prevent you or representatives of the Novocure Group from (x) pleading or testifying, to the extent that he or she reasonably believes such pleadings or testimony to be true, in any legal or administrative proceeding if such testimony is compelled or requested, (y) from otherwise complying with legal requirements or (z) from responding truthfully to any statement made in breach of this section.

(g) **Inventions.**

(i) You acknowledge and agree that all trade secrets, works, concepts, drawings, materials, documentation, procedures, diagrams, specifications, models, processes, formulae, data, programs, knowhow, designs, techniques, ideas, methods, inventions, discoveries, improvements, work products or developments or other works of authorship ("Inventions"), whether patentable or unpatentable, (x) that relate to your work with the Company or any other member of the Novocure Group, made, developed or conceived by you, solely or jointly with others or with the use of any of the Novocure Group's equipment, supplies, facilities or trade secrets or (y) suggested by any work that you perform in connection with the Novocure Group, either while performing your duties with the Novocure Group or on your own time, but only insofar as the Inventions are related to your work as an employee of the Company or the Novocure Group, will belong exclusively to the Company (or its designee and assigns, including without limitation the Parent), whether or not patent applications are filed thereon. You will keep full and complete written records (the "Records"), in the manner prescribed by the Company, of all Inventions, and will promptly disclose all Inventions completely and in writing to the Company. The Records will be the sole and exclusive property of the Company (or its designee and assigns, including without limitation the Parent), and you will surrender them upon the termination of your employment, or upon the Company's request. You do hereby assign to the Company (and its designees and assigns) the Inventions, including all rights in and to patents and other intellectual property rights that may issue thereon in any and all countries, whether during or subsequent to the term of this Agreement, together with the right to file, in your name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). You will, at any time during and subsequent to the term of this Agreement, make such Applications, sign such papers, take all rightful oaths, and perform all acts as may be requested from time to time by the Company with respect to the Inventions and the underlying intellectual property. You will also execute assignments to the Company (or its designee or assigns) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Inventions and the underlying intellectual property for its benefit, all without additional compensation to you from the Company, but entirely at the Company's expense.

(ii) In addition, the Inventions will be deemed "work made for hire," as such term is defined under the copyright law of the United States, on behalf of the Company and you agree that the Company (or its designees or assigns) will be the sole owner of the Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the

universe and in perpetuity without any further obligations or compensation to you. If the Inventions, or any portion thereof, are deemed not to be "work made for hire," you hereby irrevocably convey, transfer, assign and deliver to the Company (or its designees or assigns), all rights, titles and interests in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions and the underlying intellectual property, including without limitation, (A) all of your rights, titles and interests in the copyrights (and all renewals, revivals and extensions thereof) related to the Inventions and the underlying intellectual property; (B) an rights of any kind or any nature now or hereafter recognized, including without limitation, the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and the underlying intellectual property; and (C) all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, prior to the date hereof, including without limitation the right to receive all proceeds and damages therefrom. In addition, you hereby waive any so-called "moral rights" with respect to the Inventions. You hereby waive any and all currently existing and future monetary rights in and to the Inventions and all patents and other intellectual property rights that may issue thereon, including, without limitation, any rights that would otherwise accrue to your benefit by virtue of you being an employee of or other service provider to the Company.

(iii) To the extent that you are unable to assign any of your right, title or interest in any Invention under applicable law, for any such Invention and the underlying intellectual property rights, you hereby grant to the Company (or its designees or assigns) an exclusive, irrevocable, perpetual, transferable, worldwide, fully paid license to such Invention and the underlying intellectual property, with the right to sublicense, use, modify, create derivative works and otherwise fully exploit such Invention and the underlying intellectual property, to assign this license and to exercise all rights and incidents of ownership of the Invention.

(iv) To the extent that any of the Inventions are derived by, or require use by the Company of, any works, Inventions, or other intellectual property rights that you own, which are not assigned hereby, you hereby grant to the Company an irrevocable, perpetual, transferable, worldwide, non-exclusive, royalty free license, with the right to sublicense, use, modify and create derivative works using such works, Inventions or other intellectual property rights, but only to the extent necessary to permit the Company (or its designees or assigns) to fully realize their ownership rights in the Inventions.

(h) **Cooperation.** Upon the receipt of notice from the Company (including outside counsel), you agree that while employed by the Company or any member of the Novocure Group and for a reasonable period thereafter (which period shall not exceed 9 months), you will respond and provide information with regard to matters in which you have knowledge as a result of your employment with the Company, and will provide reasonable assistance to the Novocure Group and its representatives in defense of any claims that may be made against the Novocure Group, and will assist the Novocure Group in the prosecution of any claims that may be made by the Novocure Group, to the extent that such claims may relate to the period of your employment with the Company (or any predecessor) and were within your knowledge. You agree to promptly inform the Company if you become aware of any lawsuits involving such claims that may be filed or threatened against the Novocure Group. You also agree to promptly inform the Company (to the extent you are legally permitted to do so) if you are asked to assist in any investigation of the Novocure Group (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Novocure Group with respect to such investigation, and will not do so unless legally required.

(i) **Return of Property.** On the date of the termination of your employment with the Company for any reason (or at any time prior thereto at the Company's request), you will return all property belonging to the Novocure Group (including, but not limited to, any Novocure Group provided

laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Novocure Group, but not your personal rolodex to the extent it contains only contact information).

(j) **Injunctive Relief.** It is further expressly agreed that the Company may suffer irreparable injury if you were to violate the provisions of this Section 7 and that the Novocure Group would by reason of such violation be entitled to seek injunctive relief in a court of appropriate jurisdiction and you further consent and stipulate to the entry of such injunctive relief in such court prohibiting you from violating the provisions of this Section 7.

(k) **Survival of Provisions.** The obligations contained in this Section 7 will survive the termination of your employment with the Company or any member of the Novocure Group and will be fully enforceable thereafter. If it is determined by a court of competent jurisdiction in any state that any restriction in this Section 7 is excessive in duration or scope or extends for too long a period of time or over too great a range of activities or in too broad a geographic area or is unreasonable or unenforceable under the laws of that state, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the law of that state or jurisdiction.

8. **Representation.** You represent and warrant that your execution and delivery of this Agreement and your performing the contemplated services does not and will not conflict with or result in any breach or default under any agreement. contract or arrangement which you are a party to or violate any other legal restriction, nor will any member of the Novocure Group knowingly request or require you to take any action that would violate any prior agreement, contract or arrangement of which the Company has been made aware on or prior to the date of this Agreement.

9. **Assignment.** Notwithstanding anything else herein, this Agreement is personal to you and neither the Agreement nor any rights hereunder may be assigned by you. The Company may assign the Agreement to an affiliate or to any acquiror of all or substantially all of the assets of the Company or otherwise to any person in connection with a Change in Control. This Agreement will inure to the benefit of and be binding upon the personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, legatees and permitted assignees of the parties.

10. **Arbitration.** You agree that all disputes and controversies arising under or in connection with this Agreement, other than seeking injunctive or other equitable relief under Section 7(j), will be settled by arbitration conducted before one (1) arbitrator mutually agreed to by the Company and you, sitting in New York, New York or such other location agreed to by you and the Company, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association then in effect; provided, however, that if the Company and you are unable to agree on a single arbitrator within thirty (30) days of the demand by another party for arbitration, an arbitrator will be designated by the New York Office of the American Arbitration Association. The determination of the arbitrator will be final and binding on you and the Novocure Group. Judgment may be entered on the award of the arbitrator in any court having proper jurisdiction. Each party will bear their own expenses of such arbitration.

11. **Taxes**.

(a) **Withholding Taxes.** The Company may withhold from any and all amounts payable to you such federal, state and local taxes as may be required to be withheld pursuant to any applicable laws or regulations.

(b) **Parachute Payments.** Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that receipt of all payments or distributions by the Company or its affiliates in the nature of compensation to or for your benefit, whether paid or payable pursuant to this Agreement or otherwise, would subject you to the excise tax under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of "parachute payments" (within the meaning of Section 280G of the Code) paid or payable pursuant to this Agreement (the "Agreement

Payments") shall be reduced to the greatest amount of Agreement Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code (the "Reduced Amount") only if it is determined that you would be better-off, on a net after-tax basis, if the Agreement Payments were reduced to the Reduced Amount. All determinations required to be made under this Section 11(b) shall be made by an independent accounting firm (the "Accounting Firm"), and all fees and expenses of the Accounting firm shall be borne solely by the Company. The Accounting Firm shall provide detailed supporting calculations to both the Company and to you, and absent manifest error, shall be binding upon the Company and you.

(c) **Code Section 409A.**

(i) The intent of the parties is that payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith or exempt therefrom. For purposes of Section 409A, your right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(ii) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." If you are deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is specified herein as subject to this Section or is otherwise considered "deferred compensation" under Section 409A (whether under this Agreement, any other plan, program, payroll practice or any equity grant) and is due upon your separation from service, such payment or benefit shall not be made or provided until the date which is the earlier of (A) the expiration of the six (6)-month period measured from the date of your "separation from service," and (B) the date of your death (the "Delay Period") and this Agreement and each such plan, program, payroll practice or equity grant shall hereby be deemed amended accordingly. Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 11(c) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to you in a lump sum on the first business day of the Delay Period, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(iii) All expenses or other reimbursements paid pursuant to Sections 5(b) or 5(d) hereof or otherwise hereunder that are taxable income to you shall in no event be paid later than the end of the calendar year next following the calendar year in which you incur such expense or pays such related tax. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, of in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the

period the arrangement is in effect and (iii) such payments shall be made on or before the last day of your taxable year following the taxable year in which the expense occurred.

12. **Governing Law.** This Agreement will be governed by, and construed under and in accordance with, the internal laws of the State of New York, without reference to rules relating to conflicts of laws.

13. **Entire Agreement; Amendments.** This Agreement and the agreements referenced herein contain the entire agreement of the parties relating to the subject matter hereof, and supersede in their entirety any and all prior agreements, understandings or representations relating to the subject matter hereof, and upon the Effective Date, this Agreement shall supersede the Prior Agreement in its entirety. No amendments, alterations or modifications of this Agreement will be valid unless made in writing and signed by the parties hereto. To the extent implied herein, the applicable provisions of this Agreement shall survive any termination of your employment.

14. **Section Headings.** The section headings used in this Agreement are included solely for convenience and will not affect, or be used in connection with, the interpretation of this Agreement.

15. **Severability; Waiver.** The provisions of this Agreement will be deemed severable and the invalidity of unenforceability of any provision will not affect the validity or enforceability of the other provisions hereof. No failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by either party, and no course of dealing between the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

16. **Counterparts.** This Agreement may be executed in several counterparts (including via facsimile), each of which will be deemed to be an original but all of which together will constitute one and the same instruments.

17. **Compensation Recovery**. Any amounts paid pursuant to this Agreement shall be subject to recoupment in accordance with any clawback policy that Parent and/or the Company has adopted, adopts or is otherwise required by law to adopt, whether pursuant to the listing standards of any national securities exchange or association on which the Parent's securities are listed, the Dodd-Frank Wall Street Reform and Consumer Protection Act and/or other applicable law.

18. **Notices**. All notices, consents or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or one business day after being sent by a nationally recognized overnight delivery service, charges prepaid. Notices also may be given by facsimile or electronically via PDF and shall be effective on the date transmitted if confirmed within 48 hours thereafter by a signed original sent in the manner provided in the preceding sentence. Notice to you shall be sent to your most recent address on file with the Company. Notice to the Company shall be sent to its address set forth on the first page hereto. Either party may change its address for notice and the address to which copies must be sent by giving notice of the new addresses to the other party in accordance with this Section 18, provided, however, that any such change of address notice shall not be effective unless and until received.

19. **Indemnification; Directors and Officers Liability Insurance.** In addition to any rights to indemnification to which you may be entitled under the Company's and/or Parent's governing documents or other agreement, the Company and/or Parent (as applicable) shall indemnify you at all times during and after your employment terminates for any reason to the maximum extent permitted under applicable law, including its provisions regarding advancement of costs and attorneys' fees, in connection with any action, suit, investigation or proceeding based in whole or in part upon your actions, inaction, or status as an employee, officer, or director of any member of the Novocure Group, except to the extent it is finally determined by a court of competent jurisdiction that you are either not entitled to indemnification hereunder or otherwise or that any such action or inaction by you that gave rise to any such action, suit, investigation or proceeding arose out of your own gross negligence, willful misconduct or fraud. The Company and/or Parent shall maintain directors and officers liability insurance in

commercially reasonable amounts (as reasonably determined by the Board or the Parent Board (as applicable)), and you shall be covered under such insurance to the same extent as any other senior executives of the Company and/or the Novocure Group, both during employment and thereafter while potential liability exists.

[Remainder of page intentionally blank]

We hope that you find the foregoing terms and conditions acceptable. You may indicate your agreement with the terms and conditions set forth in this Agreement by signing the enclosed duplicate original of this Agreement and returning it to me.

We look forward to your employment with the Company.

Very truly yours,

NOVOCURE USA LLC

By:/s/ Asaf Danziger
Name: Asaf Danziger
Title: CEO
Date: February 23, 2017

Accepted and Agreed:

/s/ Todd Longsworth

Dated: February 23, 2017

Non-Employee Director Compensation Program

1. General. This Non-Employee Director Compensation Program (this "Program") is adopted by the Board of Directors (the "Board") of NovoCure Limited, a public limited company incorporated under the laws of Jersey, Channel Islands (the "Company"). For purposes of this Program, a "Non-Employee Director" shall mean a director of the Company who is not an employee of, or compensated consultant to, the Company or any of its subsidiaries.

2. Annual Cash Compensation. Each Non-Employee Director shall be entitled to an annual cash retainer fee of $45,000 (the "Annual Retainer"). In addition to the Annual Retainer payments, Non-Employee Directors will be entitled to an annual cash retainer of (a) $25,000 for serving as the chairperson of the Board's Audit Committee (the "Audit Committee"), (b) $20,000 for serving as the chairperson of the Board's Compensation Committee (the "Compensation Committee"), (c) $13,000 for serving as the chairperson of the Board's Nominating and Governance Committee (the "Nominating Committee"), and (d) $35,000 for serving as the lead independent director of the Board. In addition to the Annual Retainer payments, Non-Employee Directors will be entitled to an annual cash retainer of (a) $15,000 for serving as a member of the Board's Audit Committee, (b) $10,000 for serving as a member of the Compensation Committee, and (c) $5,000 for serving as a member of the Nominating Committee. The Annual Retainer, any annual retainer for serving as the chairperson of a committee and any annual retaining for serving as a member of a committee shall be pro-rated for any partial period of service. All cash compensation payable to Non-Employee Directors shall be payable in arrears on a quarterly basis within thirty days following the end of each fiscal quarter.

3. Equity Awards to Non-Employee Directors. On the date of each annual meeting of the Company's shareholders ("Annual Meeting") or such other date duly authorized by the Compensation Committee or the Board, the Compensation Committee or the Board may consider a grant of equity award(s) under the Company's 2015 Omnibus Incentive Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "Plan") consistent with the terms below.

Initial Awards. Each Non-Employee Director who is initially elected or appointed to the Board on or after the Effective Date shall be granted on (a) in case of appointment between the Annual Meetings, the last trading day of the month following such election or appointment or, if such date falls during a companywide closed trading window, then on the first day on which such trading window opens and (b) in case of election by shareholders at an Annual Meeting, the date of such Annual Meeting, a non-qualified share option (an "Initial Award") under the Plan to purchase that number of shares to the Company's ordinary shares such that the award has an aggregate Grant Date Fair Value of $667,000 (subject to rounding of shares to the nearest whole number). No Non-Employee Director shall be granted more than one Initial Award. For purposes of this Program, "Grant Date Fair Value" shall mean the fair value of an award as of the date of grant as determined in accordance with ASC Topic 718, "Share-Based Payment", using the Black-Scholes pricing model (or other acceptable valuation model as in use from time to time) and the valuation assumptions used by the Company in accounting for options as of such date of grant.

An Initial Award shall vest annually in equal installments over three years on the anniversary of the date of grant of such Initial Award (the "Grant Anniversary Date"), subject to the Non-Employee Director's continued service to the Company; provided, however, that in the case of Initial Awards granted on the date of the Company's Annual Meeting if a subsequent Annual Meeting is held prior to the Grant Anniversary Date, the annual vesting for such year shall occur the day immediately preceding the date of the Annual Meeting Date in such year, subject to the Non-Employee Director's continued service to the Company on such date.

Annual Awards. A Non-Employee Director who has served as a member of the Board for at least six months prior to the date of the Company's annual meeting of shareholders shall be granted equity award(s) under the Plan consisting of non-qualified share options and/or restricted share units (collectively, the "Annual Awards"). The Compensation Committee or the Board shall allocate 50% of the Grant Date Fair Value of the equity award to restricted share units and the remainder to non-qualified share options. The total aggregate Grant Date Fair Value of the equity award(s) shall equal $345,000 (subject to rounding of shares to the nearest whole number).

Each Annual Award shall vest in full on the earlier of (a) Grant Anniversary Date or (b) the day immediately preceding the date of the next Annual Meeting, subject to the Non-Employee Director's continued service to the Company.

Any equity awards made pursuant to this Program and then-outstanding shall vest in full immediately prior to a Change in Control (as defined in the Plan), subject to Non-Employee Director's continued service to the Company on such date.

4. Effective Date. This Program shall be effective as of April 28, 2021 (the "Effective Date"). The terms of this Program shall supersede any prior compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors.

5. Expense Reimbursements. Each Non-Employee Director will be entitled to reimbursement for all reasonable and documented expenses incurred in the performance of his or her duties as a director of the Company pursuant to the terms of any applicable Company expense reimbursement policy that is in effect from time to time.

6. Program Subject to Amendment, Modification and Termination. This Program may be amended, modified or terminated by the Board or Compensation Committee at any time, or from time to time, in their sole discretion. No Non-Employee Director shall have any rights hereunder unless and until an Award (as defined in the Plan) is actually granted under the Plan. Without limiting the generality of the foregoing, the Board and Compensation Committee hereby expressly reserve the authority to terminate this Program during any year up and until the election of directors at a given Annual Meeting.

7. Taxes. The Company is not responsible for the tax consequences under federal, foreign, provincial, state or local law with respect to any compensation, fees, equity awards or other payments made pursuant to this Program.

Exhibit 31.1

CERTIFICATIONS

I, Asaf Danziger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NovoCure Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: April 29, 2021

/s/ Asaf Danziger
Asaf Danziger
Chief Executive Officer and Director

Exhibit 31.2

CERTIFICATIONS

I, Ashley Cordova, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NovoCure Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: April 29, 2021

/s/ Ashley Cordova

Ashley Cordova
Chief Financial Officer
(Principal Accounting and Financial Officer)

Exhibit 32.1

NOVOCURE LIMITED
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NovoCure Limited (the "Company") on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Asaf Danziger, Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Asaf Danziger
Asaf Danziger
Chief Executive Officer
(Principal Executive Officer)

Date: April 29, 2021

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of NovoCure Limited under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

NOVOCURE LIMITED
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of NovoCure Limited (the "Company") on Form 10-Q for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ashley Cordova, Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Ashley Cordova
Ashley Cordova
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: April 29, 2021

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of NovoCure Limited under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.