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 September 30, 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 October 22, 2021**
Ordinary shares, no par value	103,819,257 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 pandemic, including the emergence of variant strains, or international conflict and 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
TABLE OF CONTENTS

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

NOVOCURE LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

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

	September 30, 2021	December 31, 2020
	Unaudited	Audited
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 689,837	$ 234,674
Short-term investments	243,948	607,902
Restricted cash	855	11,499
Trade receivables, net	94,129	96,699
Receivables and prepaid expenses	17,595	21,245
Inventories	22,642	27,422
Total current assets	1,069,006	999,441
LONG-TERM ASSETS:		
Property and equipment, net	11,699	11,395
Field equipment, net	12,553	11,230
Right-of-use assets	16,460	19,009
Other long-term assets	10,735	10,908
Total long-term assets	51,447	52,542
TOTAL ASSETS	$ 1,120,453	$ 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)

	September 30, 2021	December 31, 2020
	Unaudited	Audited
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 60,005	$ 53,647
Other payables, lease liabilities and accrued expenses	64,544	59,965
Total current liabilities	124,549	113,612
LONG-TERM LIABILITIES:		
Long-term debt, net	561,388	429,905
Deferred revenue	7,464	12,139
Long-term leases	11,478	14,293
Employee benefits	2,031	5,171
Other long-term liabilities	379	337
Total long-term liabilities	582,740	461,845
TOTAL LIABILITIES	707,289	575,457
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Share capital -		
Ordinary shares no par value, unlimited shares authorized; issued and outstanding: 103,817,566 shares and 102,334,276 shares at September 30, 2021 (unaudited) and December 31, 2020, respectively	—	—
Additional paid-in capital	1,073,532	1,111,435
Accumulated other comprehensive income (loss)	(900)	(3,832)
Retained earnings (accumulated deficit)	(659,468)	(631,077)
TOTAL SHAREHOLDERS' EQUITY	413,164	476,526
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,120,453	$ 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 September 30,		Nine months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
Net revenues	$ 133,606	$ 132,660	$ 401,818	$ 350,413	$ 494,366
Cost of revenues	30,206	28,395	85,190	78,365	106,501
Gross profit	103,400	104,265	316,628	272,048	387,865
Operating costs and expenses:					
Research, development and clinical trials	48,141	32,818	144,372	88,008	132,010
Sales and marketing	32,580	29,364	98,075	86,658	118,017
General and administrative	31,231	27,061	95,116	79,073	107,437
Total operating costs and expenses	111,952	89,243	337,563	253,739	357,464
Operating income (loss)	(8,552)	15,022	(20,935)	18,309	30,401
Financial expenses (income), net	1,981	3,983	5,567	9,032	12,299
Income (loss) before income tax	(10,533)	11,039	(26,502)	9,277	18,102
Income tax	2,591	1,755	5,391	(5,614)	(1,706)
Net income (loss)	$ (13,124)	$ 9,284	$ (31,893)	$ 14,891	$ 19,808
Basic net income (loss) per ordinary share	$ (0.13)	$ 0.09	$ (0.31)	$ 0.15	$ 0.20
Weighted average number of ordinary shares used in computing basic net income (loss) per share	103,731,147	101,234,306	103,281,380	100,601,427	100,930,866
Diluted net income (loss) per ordinary share	$ (0.13)	$ 0.09	$ (0.31)	$ 0.14	$ 0.18
Weighted average number of ordinary shares used in computing diluted net income (loss) per share	103,731,147	108,643,814	103,281,380	108,113,416	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 September 30,		Nine months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
Net income (loss)	$ (13,124)	$ 9,284	$ (31,893)	$ 14,891	$ 19,808
Other comprehensive income (loss), net of tax:					
Change in foreign currency translation adjustments	(202)	143	(57)	26	(85)
Pension benefit plan	421	153	2,989	(495)	(980)
Total comprehensive income (loss)	$ (12,905)	$ 9,580	$ (28,961)	$ 14,422	$ 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
Share-based compensation to employees	—	27,881	—	—	27,881
Proceeds from issuance of shares	17,291	2,371	—	—	2,371
Exercise of options and vested RSUs	436,487	8,695	—	—	8,695
Other comprehensive income (loss), net of tax benefit of $0	—	—	829	—	829
Net income (loss)	—	—	—	(14,641)	(14,641)
Balance as of June 30, 2021 (Unaudited)	103,641,238	$ 1,044,732	$ (1,119)	$ (646,344)	$ 397,269
Share-based compensation to employees	—	25,758	—	—	25,758
Exercise of options and vested RSUs	176,328	3,042	—	—	3,042
Other comprehensive income (loss), net of tax benefit of $0	—	—	219	—	219
Net income (loss)	—	—	—	(13,124)	(13,124)
Balance as of September 30, 2021 (Unaudited)	103,817,566	$ 1,073,532	$ (900)	$ (659,468)	$ 413,164

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, 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
Share-based compensation to employees	—	18,770	—	—	18,770
Proceeds from issuance of shares	33,075	1,667	—	—	1,667
Exercise of options and vested RSUs	624,673	3,685	—	—	3,685
Other comprehensive income (loss), net of tax benefit of $0	—	—	97	—	97
Net income (loss)	—	—	—	1,655	1,655
Balance as of June 30, 2020 (Unaudited)	101,020,721	$ 916,632	$ (3,532)	$ (645,278)	$ 267,822
Share-based compensation to employees	—	20,121	—	—	20,121
Exercise of options and vested RSUs	707,606	9,514	—	—	9,514
Other comprehensive income (loss), net of tax benefit of $0	—	—	296	—	296
Net income (loss)	—	—	—	9,284	9,284
Balance as of September 30, 2020 (Unaudited)	101,728,327	$ 946,267	$ (3,236)	$ (635,994)	$ 307,037

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 September 30,		Nine months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
Cash flows from operating activities:					
Net income (loss)	$ (13,124)	$ 9,284	$ (31,893)	$ 14,891	$ 19,808
Adjustments to reconcile net income (loss) to net cash used in operating activities:					
Depreciation and amortization	2,734	2,188	7,584	6,677	9,150
Asset write-downs and impairment of field equipment	113	124	467	263	429
Share-based compensation	25,758	20,121	72,502	55,448	75,721
Foreign currency remeasurement loss (gain)	495	(79)	3,024	(549)	(699)
Decrease (increase) in accounts receivables	(3,726)	(7,678)	3,923	(33,556)	(30,354)
Amortization of discount (premium)	785	424	2,313	(654)	3,260
Decrease (increase) in inventories	3,818	(55)	4,185	(2,446)	(2,935)
Decrease (increase) in other long-term assets	1,367	(5,173)	4,383	(2,794)	(1,366)
Increase (decrease) in accounts payables and accrued expenses	8,126	9,908	10,622	7,974	25,470
Increase (decrease) in other long-term liabilities	(1,946)	1,905	(8,758)	413	664
Net cash provided by (used in) operating activities	$ 24,400	$ 30,969	$ 68,352	$ 45,667	$ 99,148
Cash flows from investing activities:					
Purchase of property, equipment and field equipment	$ (3,297)	$ (2,782)	$ (9,896)	$ (9,209)	$ (14,968)
Proceeds from maturity of short-term investments	350,000	150,000	958,000	150,000	150,000
Purchase of short-term investments	(44,000)	—	(593,848)	—	(607,879)
Net cash provided by (used in) investing activities	$ 302,703	$ 147,218	$ 354,256	$ 140,791	$ (472,847)
Cash flows from financing activities:					
Proceeds from issuance of shares, net	$ —	$ —	$ 2,371	$ 1,667	$ 3,370
Proceeds from long term debt, net	—	—	—	—	558,439
Repayment of long-term loan	(6)	(150,007)	(19)	(150,022)	(150,028)
Exercise of options and warrants	3,042	9,514	19,698	17,710	28,428
Net cash provided by (used in) financing activities	$ 3,036	$ (140,493)	$ 22,050	$ (130,645)	$ 440,209
Effect of exchange rate changes on cash, cash equivalents and restricted cash	$ (34)	$ 102	$ (139)	$ 152	$ 247
Increase (decrease) in cash, cash equivalents and restricted cash	330,105	37,796	444,519	55,965	66,757
Cash, cash equivalents and restricted cash at the beginning of the period	360,587	197,585	246,173	179,416	179,416
Cash, cash equivalents and restricted cash at the end of the period	$ 690,692	$ 235,381	$ 690,692	$ 235,381	$ 246,173

NOVOCURE LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three months ended September 30,		Nine months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
Supplemental cash flow activities:					
Cash paid during the period for:					
Income taxes paid (refunded), net	$ 991	$ 4,382	$ 1,075	$ 11,319	$ (3,261)
Interest paid	$ 1	$ 1,840	$ 3	$ 8,671	$ 8,686
Non-cash activities:					
Right-of-use assets obtained in exchange for lease liabilities	$ 1,023	$ 675	$ 1,972	$ 2,849	$ 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 China, Hong Kong, Macau and Taiwan ("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 ("GAAP") 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 Accounting Standards Codification ("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 with maturity periods of three months or less when purchased. As of September 30, 2021 and December 31, 2020, the Company's cash and cash equivalents were composed of:

	September 30, 2021	December 31, 2020
	Unaudited	Audited
Cash	$ 27,768	$ 20,339
Money market funds	422,082	214,335
U.S. Treasury bills	239,987	—
Total cash and cash equivalents	$ 689,837	$ 234,674

As of September 30, 2021 and December 31, 2020, the Company's short-term investments were:

	September 30, 2021	December 31, 2020
	Unaudited	Audited
U.S. Treasury bills	$ 199,948	607,902
Term deposits	44,000	—
Short-term investments	$ 243,948	607,902

The Company 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 cash and cash equivalents and short-term investments according their maturity periods.

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 ASC 820, "Fair Value Measurements and Disclosures." The estimated fair value of the Company's short-term investments as of September 30, 2021 and December 31, 2020 was $243,964 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 September 30, 2021 and December 31, 2020, the Company's inventories were composed of:

	September 30, 2021	December 31, 2020
	Unaudited	Audited
Raw materials	$ 1,615	$ 5,175
Work in progress	5,921	4,896
Finished products	15,106	17,351
Total	$ 22,642	$ 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 September 30, 2021 and December 31, 2020, the Company pledged bank deposits of $1,408 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 $1,747 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 September 30, 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 September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	December 31, 2020
	Unaudited	Audited
Liability component, net:		
Principal amount	$ 575,000	$ 575,000
Unamortized discount	—	(132,797)
Unamortized issuance costs	(13,612)	(12,298)
Net carrying amount of liability component (1)	$ 561,388	$ 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 September 30, 2021 and December 31, 2020 were $476,789 and $450,437, respectively.

Finance expense related to the Notes was as follows:

	Three months ended September 30,		Nine months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
Amortization of debt discount	$ —	$ —	$ —	$ —	$ 3,605
Amortization of debt issuance costs	826	—	2,511	—	333
Total finance expense recognized	$ 826	$ —	$ 2,511	$ —	$ 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 September 30, 2021, 14,467,854 ordinary shares were available for grant under the 2015 Plan.

A summary of the status of the Company's option plans as of September 30, 2021 and changes during the period then ended is presented below:

	Nine months ended September 30, 2021	
	Unaudited	
	Number of options	Weighted average exercise price
Outstanding at beginning of year	9,220,326	$ 26.21
Granted	425,339	154.03
Exercised	(918,859)	21.54
Forfeited and canceled	(101,320)	60.64
Outstanding as of September 30, 2021	8,625,486	$ 32.61
Exercisable options	5,153,158	$ 19.35

For the nine months ended September 30, 2021, options to purchase 918,859 ordinary shares were exercised, resulting in the issuance of 918,859 ordinary shares.

A summary of the status of the Company's RSUs and PSUs as of September 30, 2021 and changes during the period then ended is presented below.

	Nine months ended September 30, 2021	
	Unaudited	
	Number of RSU/PSUs	Weighted average grant date fair value
Unvested at beginning of year	4,466,151	$ 54.06
Granted	592,104	140.46
Vested	(547,140)	51.38
Forfeited and cancelled	(52,283)	89.79
Unvested as of September 30, 2021 (1)	4,458,832	65.44

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 September 30, 2021, in accordance with ASC 718 as follows:

September 30, 2021		
Number of PSUs	Fair value at grant date per PSU	Total fair value at grant date
2,703,852	$ 48.16	130,218
108,113	69.37	7,500
17,712	84.68	1,500
5,266	94.94	500
94,813	$ 114.26	10,833
2,929,756	$	150,551

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 September 30, 2021, 4,989,076 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:

	Nine months ended September 30,		Year ended December 31,
	2021	2020	2020
	Unaudited		Audited
Stock Option Plans			
Expected term (years)	5.50-6.00	5.50-6.25	5.50-6.25
Expected volatility	60%-63%	54%-56%	54%-56%
Risk-free interest rate	0.78%-1.02%	0.30%-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	54%-81%	47%-66%	47%-66%
Risk-free interest rate	0.05%-0.09%	0.17%-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 and nine months ended September 30, 2021 and 2020 and the year ended December 31, 2020 was:

	Three months ended September 30,		Nine months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
Cost of revenues	$ 808	$ 767	$ 2,368	$ 1,916	$ 2,221
Research, development and clinical trials	7,761	5,101	21,390	12,275	18,125
Sales and marketing	5,806	4,677	16,706	13,061	17,672
General and administrative	11,383	9,576	32,038	28,196	37,703
Total share-based compensation expense	$ 25,758	$ 20,121	$ 72,502	$ 55,448	$ 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 September 30,		Nine months ended September 30,		Year ended December 31,
	2021	2020	2021	2020	2020
	Unaudited		Unaudited		Audited
Net income (loss) attributable to ordinary shares as reported used in computing basic and diluted net income (loss) per share	$ (13,124)	$ 9,284	$ (31,893)	$ 14,891	$ 19,808
Weighted average number of ordinary shares used in computing basic net income (loss) per share	103,731,147	101,234,306	103,281,380	100,601,427	100,930,866
Potentially dilutive shares that were excluded from the computation of basic net income (loss) per share:					
Options	—	6,656,439	—	6,688,840	6,967,554
Restricted share units	—	738,456	—	808,536	945,612
ESPP	—	14,613	—	14,613	33,616
Weighted average number of ordinary shares used in computing diluted net income (loss) per share	103,731,147	108,643,814	103,281,380	108,113,416	108,877,648
Weighted anti-dilutive shares outstanding which were not included in the diluted calculation	8,084,045	952,823	8,827,739	717,492	1,307,762
Basic net income (loss) per ordinary share	$ (0.13)	$ 0.09	$ (0.31)	$ 0.15	$ 0.20
Diluted net income (loss) per ordinary share	$ (0.13)	$ 0.09	$ (0.31)	$ 0.14	$ 0.18

NOTE 8: SUPPLEMENTAL INFORMATION

The Company operates in a single reportable segment.

The following table presents long-lived assets by location:

	September 30, 2021	December 31, 2020
	Unaudited	Audited
United States	$ 12,172	$ 11,868
Israel	5,037	4,370
Switzerland	3,978	2,849
Japan	928	1,230
Germany	1,042	1,075
Others	1,095	1,233
Total	$ 24,252	$ 22,625

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

	Three months ended September 30,		Nine months ended September 30,		Year ended December 31, 2020
	2021	2020	2021	2020	
	Unaudited		Unaudited		Audited
United States	$ 88,032	$ 92,635	$ 261,079	$ 243,103	$ 340,782
EMEA:					
Germany	23,208	22,756	74,934	66,027	93,264
Other EMEA	7,081	5,468	23,035	12,069	18,654
Japan	8,778	7,523	25,806	21,153	29,076
Greater China (1)	6,507	4,278	16,964	8,061	12,590
Total net revenues	$ 133,606	$ 132,660	$ 401,818	$ 350,413	$ 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 September 30, 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.

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.

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, educating thoracic oncologists about the benefits of TTFields, and 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 non-small-cell lung cancer ("NSCLC"), brain metastases from non-small-cell lung cancer ("brain metastases"), 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.

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 Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (the "2020 10-K").

In April 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. In May 2021, the FDA approved our investigational device exemption ("IDE") supplement incorporating the recommended protocol changes and we expect final data in 2022.

In April 2021, the FDA approved our 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.). As of September 30, 2021 there were five KEYNOTE B36 clinical trial sites actively evaluating patients for enrollment.

In May 2021, we entered into a clinical trial collaboration with GT Medical Technologies, Inc., to develop TTFields together with GT Medical Technologies' GammaTile Surgically Targeted Radiation Therapy for the treatment of recurrent GBM, expanding our research in the treatment of GBM. We plan to conduct a phase 2 pilot study to test the effectiveness and safety of neo-adjuvant TTFields followed by resection, GammaTile Therapy, and adjuvant TTFields for recurrent GBM. This clinical trial collaboration presents an important opportunity to study the radio-sensitizing effect of TTFields.

In July 2021, we announced the final results of our phase 2 pilot HEPANOVA trial investigating TTFields together with sorafenib, a kinase inhibitor, in 27 patients with advanced liver cancer. Historical control data showed an objective response rate of 4.5% and disease control rate of 43% for patients treated with sorafenib alone. In 21 evaluable patients, HEPANOVA showed a 9.5% objective response rate and 76% disease control rate, as well as 5.8 months of progression free survival. These results are even more encouraging when considering the poor prognosis of the study population. Over half of the patients in HEPANOVA were categorized as Child-Pugh Class B, compared to 5% in the historical control, indicating significant liver functional compromise. Research conducted to date has shown that TTFields anti-mitotic effect requires extended exposure to the therapy for maximum impact and this was a challenge for HEPANOVA with a median treatment duration of only 10 weeks. Of the patients who received at least 12 weeks of therapy, the disease control rate reached 91% with an objective response rate of 18%. These data demonstrate that TTFields have the potential to extend survival in advanced liver cancer. Our team, along with trial investigators, are actively designing a phase 3 pivotal trial that contemplates TTFields therapy together with the current standard of care, including immunotherapy.

In September 2021, we announced that the FDA granted breakthrough designation to the NovoTTF-200T System, a TTFields delivery system intended for use together with atezolizumab and bevacizumab for the first-line treatment of patients with unresectable or metastatic liver cancer. The designation offers us an opportunity to interact with FDA experts throughout the premarket review phase and allows for prioritized review of regulatory submissions.

Also in September 2021, we entered into a clinical collaboration with Roche to develop TTFields together with Roche's anti-PD-L1 therapy, atezolizumab, for treatment of patients with metastatic pancreatic ductal adenocarcinoma (mPDAC). We plan to conduct a phase 2 pilot study to test the safety and efficacy of TTFields together with atezolizumab, gemcitabine and nab-paclitaxel as a first-line treatment for mPDAC. This clinical

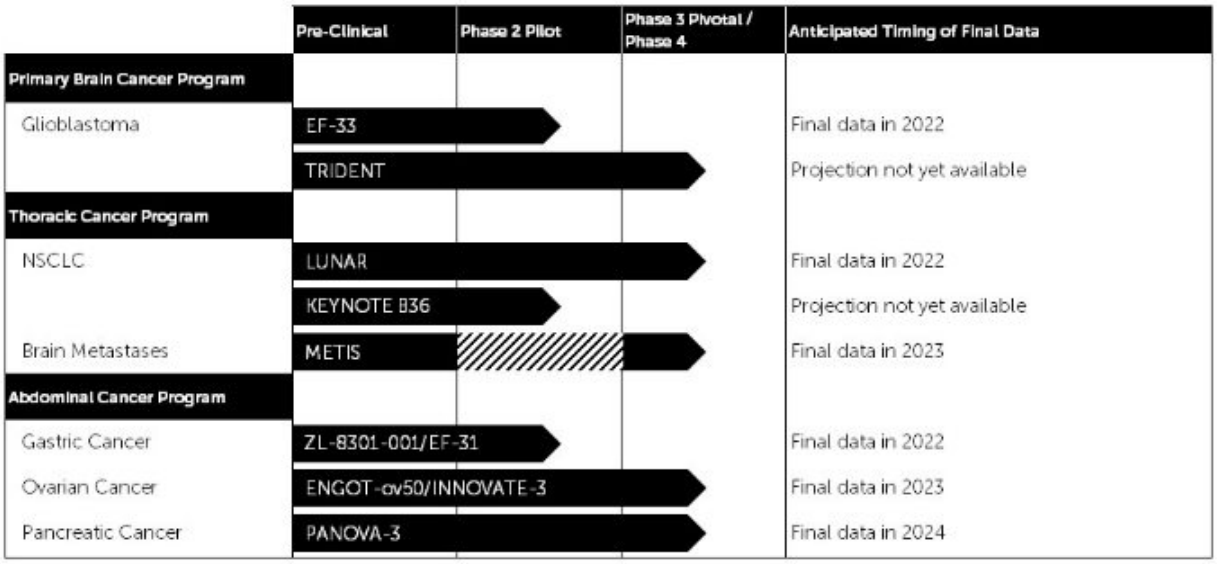
collaboration will study the immune-shielded environment of the pancreas and investigate our ability to improve clinical outcomes for patients with this deadly disease. We will be the study sponsor and Roche is providing atezolizumab for the trial.

In October 2021, we and Zai announced that the final patient has been enrolled in EF-31, a Novocure-sponsored, phase 2 pilot trial conducted by Zai Lab evaluating the safety and efficacy of TTFields in combination with chemotherapy as a first-line treatment in patients with gastric adenocarcinoma. Zai has enrolled approximately 30 patients in Greater China. The protocol is designed to include 25 evaluable patients who receive at least one tumor assessment.

In October, 2021, we announced that the final patient has been enrolled in our phase 3 pivotal INNOVATE-3 trial evaluating the efficacy of TTFields together with paclitaxel for treatment in patients with platinum-resistant ovarian cancer. The European Network for Gynecological Oncological Trials and The GOG Foundation, Inc. collaborated with Novocure on the design and facilitation of this trial. Following the completion of enrollment, the independent Data Monitoring Committee will conduct the pre-specified interim analysis pursuant to the trial protocol. Final data is anticipated in 2023.

The enrollment timelines for our PANOVA-3 trial are reliant on the ability of our clinical sites to administer the trial in accordance with protocol specifications. A shortage of nab-paclitaxel, commercially known as Abraxane, has had an impact on the chemotherapy supply at clinical sites. Furthermore, due to the denial of an importation license for Abraxane by the National Medical Products Administration, we are unable to expand our clinical trial footprint into Greater China at this time. As such, we now anticipate final data in 2024.

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.

We continue our efforts to optimize array design to improve patient comfort for all torso and abdominal indications, improve skin adhesion and increase degrees-of-motion. In the third quarter, we discontinued enrollment in a clinical usability study for a new, flexible torso array due to establishing enhanced capabilities for collecting usability feedback. We will continue to follow enrolled patients in order to gather applicable data.

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.

We view our operations and manage our business in one operating segment. For the three and nine months ended September 30, 2021, our net revenues were $133.6 million and $401.8 million, respectively. Our net loss for the three and nine months ended September 30, 2021, was $13.1 million and $31.9 million, respectively. As of September 30, 2021, we had an accumulated deficit of $659.5 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 third 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 persisting volatility across global health care systems, such as fluctuations in patient volumes and changes in patterns of care in certain regions, including in areas where the pandemic eased during the quarter. For example, we continue to see fluctuations in the timing of surgeries, radiation therapy and advanced disease progression 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 more than a year, which poses challenges to our ability to effectively communicate and engage with our customers and partners around the world. The COVID-19 pandemic is also having an impact on clinical trial enrollments, study operations, and regulatory responsiveness.

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.

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 and nine months ended September 30, 2021 as compared to the three and nine months ended September 30, 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 September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	Unaudited		Unaudited	
Net revenues	$ 133,606	$ 132,660	$ 401,818	$ 350,413
Cost of revenues	30,206	28,395	85,190	78,365
Gross profit	103,400	104,265	316,628	272,048
Operating costs and expenses:				
Research, development and clinical trials	48,141	32,818	144,372	88,008
Sales and marketing	32,580	29,364	98,075	86,658
General and administrative	31,231	27,061	95,116	79,073
Total operating costs and expenses	111,952	89,243	337,563	253,739
Operating income (loss)	(8,552)	15,022	(20,935)	18,309
Financial expenses (income), net	1,981	3,983	5,567	9,032
Income (loss) before income taxes	(10,533)	11,039	(26,502)	9,277
Income taxes	2,591	1,755	5,391	(5,614)
Net income (loss)	$ (13,124)	$ 9,284	$ (31,893)	$ 14,891
Basic net income (loss) per ordinary share	$ (0.13)	$ 0.09	$ (0.31)	$ 0.15
Weighted average number of ordinary shares used in computing basic net income (loss) per share	103,731,147	101,234,306	103,281,380	100,601,427
Diluted net income (loss) per ordinary share	$ (0.13)	$ 0.09	$ (0.31)	$ 0.14
Weighted average number of ordinary shares used in computing diluted net income (loss) per share	103,731,147	108,643,814	103,281,380	108,113,416

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	Unaudited		Unaudited	
Cost of revenues	$ 808	$ 767	$ 2,368	$ 1,916
Research, development and clinical trials	7,761	5,101	21,390	12,275
Sales and marketing	5,806	4,677	16,706	13,061
General and administrative	11,383	9,576	32,038	28,196
Total share-based compensation expense	$ 25,758	$ 20,121	$ 72,502	$ 55,448

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.

	September 30,	
Operating statistics	**2021**	**2020**
Active patients at period end		
North America (1)	2,223	2,218
EMEA:		
Germany	562	533
Other EMEA	425	369
Japan	292	241
Total	3,502	3,361

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Prescriptions received in period				
North America (1)	931	955	2,815	2,909
EMEA:				
Germany	220	239	705	677
Other EMEA	119	91	391	351
Japan	110	86	321	265
Total	1,380	1,371	4,232	4,202

(1) North America includes data for the United States and Canada for the third quarter of 2021 and the United States only for all other periods.

There were 13 active MPM patients on therapy as of September 30, 2021 and 15 MPM prescriptions were received in the three months ended September 30, 2021.

Three and nine months ended September 30, 2021 compared to three and nine months ended September 30, 2020

	Three months ended September 30,			Nine months ended September 30,		
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
Net revenues	$ 133,606	$ 132,660	1 %	$ 401,818	$ 350,413	15 %

Net revenues. Net revenues increased 1% to $133.6 million for the three-month period ending September 30, 2021 from $132.7 million for the same period in 2020, and increased 15% to $401.8 for the nine-month period ended September 30, 2021 from $350.4 for the same period in 2020. The increase resulted primarily from an increase of 141 active patients in our currently active markets, representing 4% growth, and the launch of Optune in China.

In the third quarter of 2021, we recorded only de minimus revenue from the successful appeal of previously denied claims for Medicare fee-for-service beneficiaries billed prior to established coverage, versus the $8.0 million that we recorded in the third quarter of 2020. We continue to actively appeal and pursue previously denied claims for

beneficiaries billed prior to established coverage, but the cadence and amount of these Medicare payments are impossible to predict.

In the third quarter 2021, we recorded $10.6 million and $28.1 million in revenues from Medicare fee-for-service beneficiaries billed under the coverage policy effective on September 1, 2019 for the three and nine month period ended September 30, 2021, an increase of 9% and 4% from the $9.7 million and $26.9 million recognized in the same period in 2020.

We believe we have completed our administrative ramp-up towards processing Medicare claims and efficiently pursuing appeals. Approximately 25% of our current Medicare fee-for-service beneficiaries began use of TTFields therapy prior to the effective date of coverage and, as a result, are not contributing revenue at the time of billing. We expect to realize additional benefit as the mix of Medicare fee-for-service beneficiaries shifts to include a greater percentage of patients who have started therapy under the coverage policy effective September 1, 2019.

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Cost of revenues	$ 30,206	$ 28,395	6 %	$ 85,190	$ 78,365	9 %

Cost of revenues. Our cost of revenues increased by 6%, to $30.2 million for the three months ended September 30, 2021 from $28.4 million for the same period in 2020, and increased by 9% to $85.2 for the nine months ended September 30, 2021 from $78.4 for the same period in 2020. For the three and nine 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. We continue to focus on opportunities to increase efficiencies and scale within our supply chain. This includes evaluating new materials, manufacturers, and processes that could lead to lower costs.

Excluding sales to Zai, cost of revenues per active patient per month decreased 6% and 6% to $2,485 and $2,475 for the three and nine months ended September 30, 2021 from $2,630 and $2,622 for the same period in 2020. 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 $4.2 million and $8.0 for the three and nine months ended September 30, 2021 compared to $2.2 million and $3.8 million for the three and nine months ended September 30, 2020.

Gross margin was 77% for the three months ended September 30, 2021 compared to 79% for the three months ended September 30, 2020. Gross margin was 79% for the nine months ended September 30, 2021 and 78% for the nine months ended September 30, 2020. The moderately lower gross margin in the third quarter 2021 was driven by an increase in Zai Lab purchases in the quarter.

Operating Expenses.

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Research, development and clinical trials	$ 48,141	$ 32,818	47 %	$ 144,372	$ 88,008	64 %
Sales and marketing	32,580	29,364	11 %	98,075	86,658	13 %
General and administrative	31,231	27,061	15 %	95,116	79,073	20 %
Total operating expenses	$ 111,952	$ 89,243	25 %	$ 337,563	$ 253,739	33 %

Research, development and clinical trials expenses. Research, development and clinical trials expenses increased 47% to $48.1 million for the three-month period ended September 30, 2021 from $32.8 million for the same period in 2020, and increased 64% to $144.4 million for the nine-month period ended September 30, 2021 from $88.0 in the same period in 2020. For the three and nine month period, the change is primarily due to an increase in clinical trial and personnel expenses for our phase 3 pivotal and label expansion 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 11% to $32.6 million for the three months ended September 30, 2021 from $29.4 million for the same period in 2020, and increased 13% to $98.1 million for the nine-month periods ended September 30, 2021 from $86.7 million for the same period in 2020. For the three and nine month period, the change was primarily due to an increase in personnel and professional services costs as we continue to enhance our commercial capabilities in anticipation of potential future approvals in new indications. Accordingly, we are investing heavily in our market access capabilities in order to evaluate opportunities, identify optimal access pathways, and successfully gain reimbursement in new geographies.

General and administrative expenses. General and administrative expenses increased 15% to $31.2 million for the three months ended September 30, 2021 from $27.1 million for the same period in 2020, and increased 20% to $95.1 million for the nine months ended September 30, 2021 from $79.1 million for the same period in 2020. For the three and nine month periods, the change was primarily due to an increase in personnel costs and professional services.

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Financial expenses (income), net	$ 1,981	$ 3,983	(50)%	$ 5,567	$ 9,032	(38)%

Financial expenses, net. Financial expenses decreased 50% to $2.0 million for the three months ended September 30, 2021 from $4.0 million for the same period in 2020, and decreased 38% to $5.6 for the nine months ended September 30, 2021 from $9.0 for the same period in 2020. For the three and nine month periods, the decrease was primarily due to the absence of interest payments as a result of the loan repayment in August 2020.

	Three months ended September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Income taxes	$ 2,591	$ 1,755	48 %	$ 5,391	$ (5,614)	(196)%

Income taxes. Income taxes increased 48% to $2.6 million for the three months ended September 30, 2021 from $1.8 million for the same period in 2020, and increased 196% to $5.4 million for the nine months ended September 30, 2021 from a benefit of $5.6 million for the same period in 2020. For the three months ended September 30, 2021 the increase reflects a change in the mix of applicable statutory tax rates in certain jurisdictions. For the nine months ended September 30, 2021, the increase was primarily due to a net one-time tax benefit of $11.3 million, which was recorded in the first quarter of 2020 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 our 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 September 30,			Nine months ended September 30,		
	2021	2020	% Change	2021	2020	% Change
Net income (loss)	$ (13,124)	$ 9,284	(241)%	$ (31,893)	$ 14,891	(314)%
Add: Income tax	2,591	1,755	48 %	5,391	(5,614)	(196)%
Add: Financial income (expenses), net	1,981	3,983	(50)%	5,567	9,032	(38)%
Add: Depreciation and amortization	2,734	2,188	25 %	7,584	6,677	14 %
EBITDA	$ (5,818)	$ 17,210	(134)%	$ (13,351)	$ 24,986	(153)%
Add: Share-based compensation	25,758	20,121	28 %	72,502	55,448	31 %
Adjusted EBITDA	$ 19,940	$ 37,331	(47)%	$ 59,151	$ 80,434	(26)%

Adjusted EBITDA decreased by 47% to $19.9 million for the three months ended September 30, 2021 from $37.3 million for the same period in 2020, and decreased by 26% to $59.2 for the nine months ended September 30, 2021 from $80.4 for the same period in 2020. The decrease was driven by increased investments in research and development activities intended to further our exploration of TTFields therapy, and in sales and marketing readiness initiatives in anticipation of future potential launches in new indications. Adjusted EBITDA as a percentage of net revenues was 15% in the third quarter, due to research and development investment reaching 36% of third quarter net revenues. We believe these focused investments are critical to our efforts to realize the long-term potential of the TTFields platform.

Liquidity and Capital Resources

We have incurred significant losses and cumulative negative cash flows from operations since our founding in 2000. As of September 30, 2021, we had an accumulated deficit of $659.5 million. To date, we have primarily financed our operations through the issuance and sale of equity and the proceeds from long-term loans.

At September 30, 2021, we had $933.8 million in cash, cash equivalents and short-term investments, an increase of $91.2 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 September 30, 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:

	Nine months ended September 30,			
	2021	2020	Change	% Change
Net cash provided by operating activities	$ 68,352	$ 45,667	$ 22,685	50 %
Net cash provided by (used in) investing activities	354,256	140,791	213,465	152 %
Net cash provided by (used in) financing activities	22,050	(130,645)	152,695	(117)%
Effect of exchange rate changes on cash and cash equivalents	(139)	152	(291)	(191)%
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 444,519	$ 55,965	$ 388,554	694 %

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 $68.4 million for the nine months ended September 30, 2021, as compared to $45.7 million provided by operating activities for the nine months ended September 30, 2020. Gross profit increased by $44.6 million for the nine months ended September 30, 2021 versus the nine months ended September 30, 2020, partially funding incremental investments of $56.4 million in research and development and $27.5 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 investments in and redemptions of our short-term investments as well as investments in property and equipment.

Net cash provided by investing activities was $354.3 million for the nine months ended September 30, 2021, compared to $140.8 million provided by investing activities for the nine months ended September 30, 2020. The net cash provided by investing activities for the nine months ended September 30, 2021 was primarily attributable to $364.2 million of net proceeds from maturity of short-term investments, partially offset by the purchase of $9.9 million of property and equipment. The net cash provided by investing activities for the nine months ended September 30, 2020 was primarily attributable to the to the net proceeds generated from the sale of investments for cash needed to prepay the 2018 credit facility.

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 $22.1 million for the nine months ended September 30, 2021, as compared to $130.6 million used in financing activities for the nine months ended September 30, 2020. The net cash provided by financing activities for the nine months ended September 30, 2021 and September 30, 2020 included proceeds from the exercise of options and purchase of shares under the Company's stock option plan and employee share purchase plan ("ESPP"). The cash used in financing activities for the nine months ended September 30, 2020 was primarily related to the prepayment of the 2018 credit facility.

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, a holder of Notes may convert their Notes at any time during any calendar quarter (and only during such calendar quarter), if the last reported sale price of ordinary shares for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter, is greater than or equal to $218.712. The Notes are also convertible at the option of the holders upon the satisfaction of certain other 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 September 30, 2021, we were in compliance with such covenants.

As of September 30, 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 September 30, 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 September 30, 2021, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 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 September 30, 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	
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.

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: October 28, 2021

/s/ Ashley Cordova

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

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: October 28, 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: October 28, 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 September 30, 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: October 28, 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 September 30, 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: October 28, 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.