Customizable, Incision-Free Ablation Therapies

Corporate Presentation | May 2020

NASDAQ: PROF
TSX: PRN

Forward-Looking Statements

Certain statements in this presentation and oral statements made during this meeting may contain “forward-looking statements” within the meaning of applicable securities laws, including the “safe harbour provisions” of the Securities Act (Ontario), with respect to Profound Medical Corporation (“Profound” or the “Company”). Such statements include all statements other than statements of historical fact contained in this presentation, such as statements that relate to the Company’s current expectations and views of future events. Often, but not always, forward-looking statements can be identified by the use of words such as “may”, “will”, “expect”, “anticipate”, “predict”, “aim”, “estimate”, “intend”, “plan”, “seek”, “believe”, “potential”, “continue”, “is/are likely to”, “is/are projected to” or the negative of these terms, or other similar expressions, as well as future or conditional verbs such as “will”, “should”, “would”, and “could” intended to identify forward-looking statements. These forward-looking statements include, among other things, statements relating to expectations regarding future clinical trials, expectations regarding regulatory approvals, expectations regarding the safety and efficacy of its products, our expectations regarding commercializing our approved products and our ability to generate revenues and achieve profitability; our expectations regarding the safety, efficacy and advantages of our products over our competitors and alternative treatment options; our expectations regarding our products fulfilling unmet clinical needs and achieving market acceptance among patients, physicians and clinicians; our expectations regarding reimbursement for our approved products from third-party payers; our expectations regarding our relationships with Philips and Siemens, and our ability to achieve compatibility of our systems with MRI scanners produced by other manufacturers; our ability to attract, develop and maintain relationships with other suppliers, manufacturers, distributors and strategic partners; our expectations regarding our pipeline of product development, including expanding the clinical application of our products to cover additional indications; our expectations regarding current and future clinical trials, including the timing and results thereof; our expectations regarding receipt of additional regulatory approvals for our products and future product candidates; our mission and future growth plans; our ability to attract and retain personnel; our expectations regarding our competitive position for each of our products in the jurisdictions where they are approved; our ability to raise debt and equity capital to fund future product development, pursue regulatory approvals and commercialize our approved products; and anticipated trends and challenges in our business and the markets in which we operate.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The results, performance and achievements of the Company will be affected by, among other things, such as risks related to our limited operating history and history of net losses; risks related to our ability to commercialize our approved products, including expanding our sales and marketing capabilities, increasing our manufacturing and distribution capacity, increasing reimbursement coverage for our approved products and achieving and maintaining market acceptance for our products; risks related to the regulation of our products, including in connection with obtaining regulatory approvals as well as post-marketing regulation; risks related to our successful completion of clinical trials with respect to our products and future product candidates; risks related to managing growth, including in respect of obtaining additional funding and establishing and maintaining collaborative partnerships, to achieve our goals; risks related to competition that may impact market acceptance of our products and limit our growth; risks relating to fluctuating input prices and currency exchange rates; risks related to the reimbursement models in relevant jurisdictions that may not be advantageous; risks related to reliance on third parties, including our collaborative partners, manufacturers, distributors and suppliers, and increasing the compatibility of our systems with MRI scanners; risks related to intellectual property, including license rights that are key to our business; and risks related to the loss of key personnel, and such other risks detailed from time to time in the other publicly filed disclosure documents of the Company which are available at www.sedar.com and www.sec.gov. The Company’s forward-looking statements are made only as of the date of this presentation and, except as required by applicable law, Profound disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, unless required by applicable law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, and because of the above-noted risks, uncertainties and assumptions, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty in them.

Market & Industry Data

Market data and industry forecasts contained in this presentation have been obtained from industry publications, various publicly available sources and subscription-based reports as well as from management's good faith estimates, which are derived from management's knowledge of the industry and independent sources that management believes to be reliable. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. We have not independently verified any of the information from third-party sources nor has it ascertained the validity or accuracy of the underlying economic assumptions relied upon therein. We disclaim responsibility or liability in respect of any third-party sources of market and industry data or information, to the extent permitted by law. All figures contained on slides 6, 9, 19 and 22 are provided for illustrative purposes only.

Use of Projections

This presentation may contain financial forecasts with respect to our estimated future performance. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation and, accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections should not be relied upon as being necessarily indicative of future results.

In this presentation certain of the above-mentioned projected financial information has been included for purposes of providing comparisons with historical data. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of our future performance or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

COVID-19

The COVID-19 outbreak has been declared a pandemic by the World Health Organization. It is too soon to gauge the impacts of the current outbreak, given the many unknowns related to COVID-19 including the duration and severity of the outbreak. COVID-19 is altering business and consumer activity in affected areas and beyond. The global response to the COVID-19 outbreak has resulted in, among other things, border closures, severe travel restrictions, the temporary shut-down of non-essential services and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments in jurisdictions where the Company operates. These measures have caused material disruption to businesses globally, resulting in an economic slowdown. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision, including new information which may emerge concerning the severity of the COVID-19 virus and the actions required to contain the COVID-19 virus or remedy its impact, among others.

The actual and threatened spread of COVID-19 globally could also have a material adverse effect on the regional economies in which the Company operates, could continue to negatively impact stock markets, including the trading price of Profound's Common Shares, could adversely impact the Company's ability to raise capital, and could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive.

“My life should not have to change”

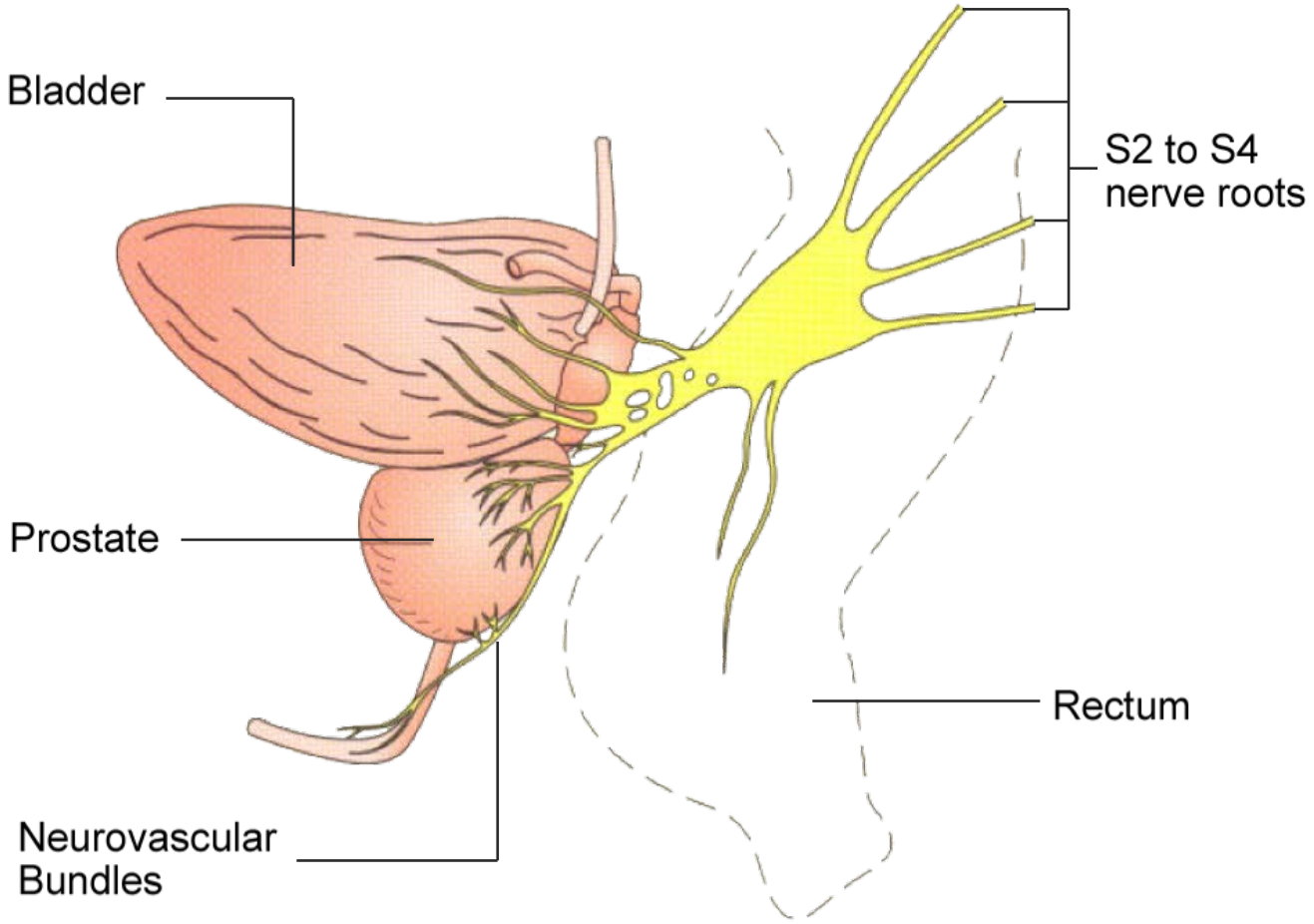
TULSA-PRO®

U.S. FDA Cleared, August 2019
Ablation of Prostate Tissue

PROFOUND

Prostate Disease

Anatomy & Current Landscape in U.S.



~200,000 new prostate cancer cases per year[1]

60% are > 65 years

> 3M men living with diagnosed prostate cancer

10M men living with Benign Prostatic Hyperplasia ("BPH")[2]

300,000 BPH surgical procedures per year[2]

Common treatment options

1. Surgery to remove prostate
2. Radiation to kill it in place

Common sides effects

1. Urinary and/or rectal incontinence
2. Erectile dysfunction

Figure: Kirby (1997) An Atlas of Prostatic Diseases, The Encyclopedia of Visual Medicine Series.

[1] American Cancer Society

[2] Based upon CMS data

TULSA-PRO
Our Solution

How we **see & plan**

Real-time MRI Guidance

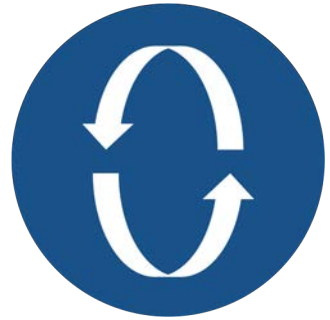
Ablation using real time MRI imaging and thermometry

How we **ablate**

Transurethral Directional Thermal Ultrasound

Transurethral heating of the prostate gently to 55° C without boiling tissue

How we **control**



Closed-loop Thermal Feedback

Robotic closed loop temperature control to enable whole gland ablation of any size prostate

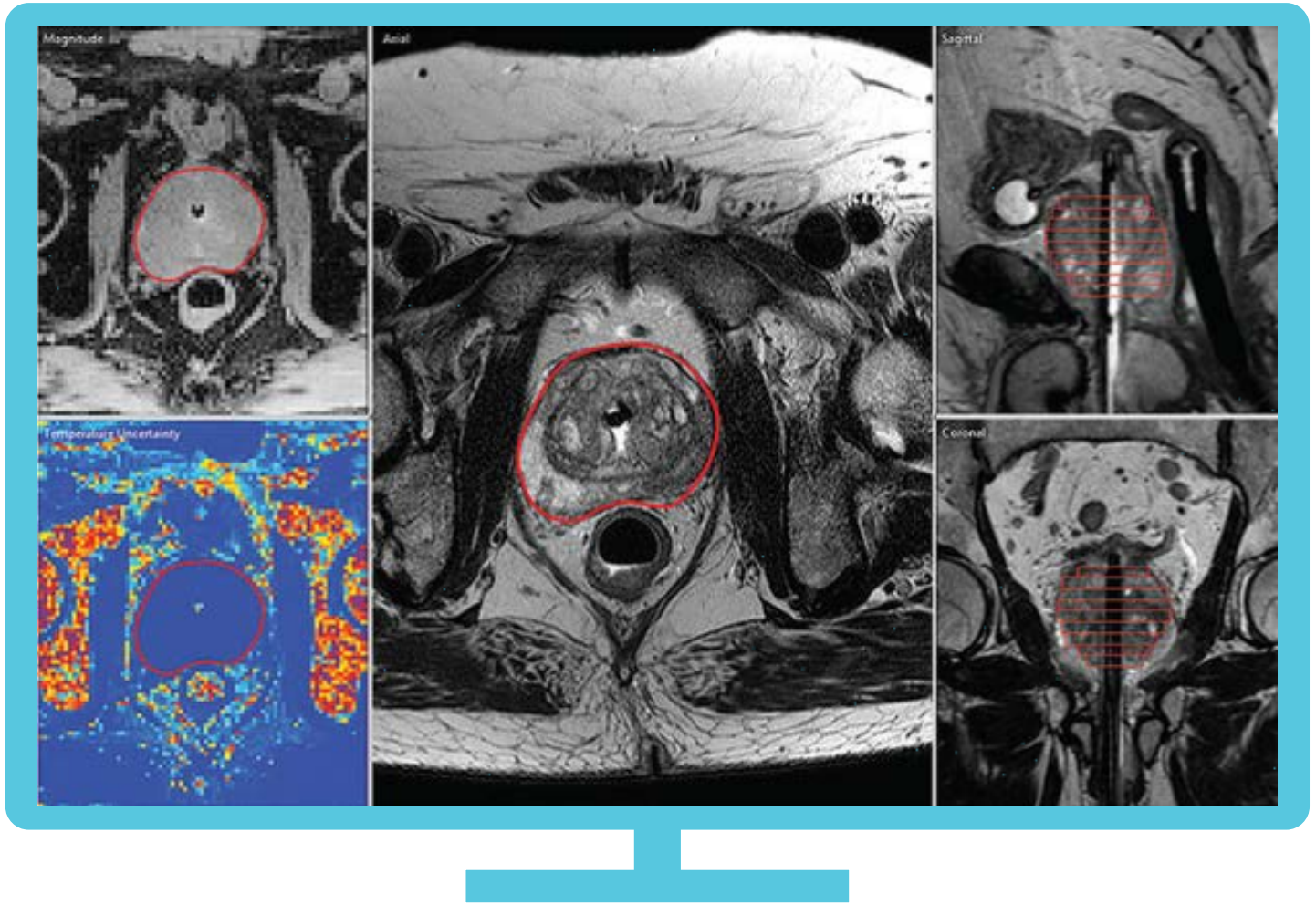
Post-procedure, the dead prostate tissue is slowly resorbed by the body

TULSA-PRO

Patient MRI Bore, Physicians Create 3D Treatment Plan Using Real-Time MRI Visualization

How we
see & plan

Real-time
MRI
Guidance

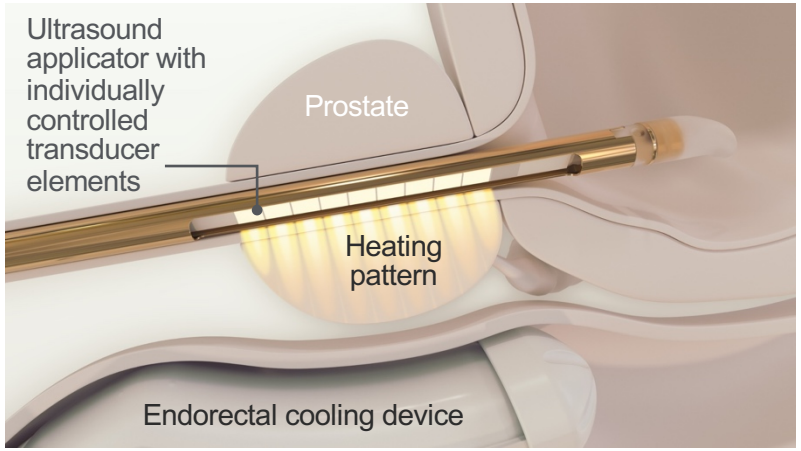


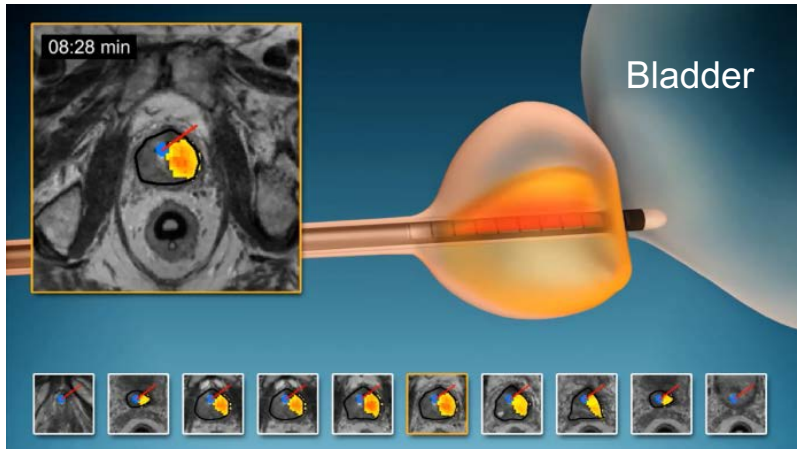
TULSA-PRO

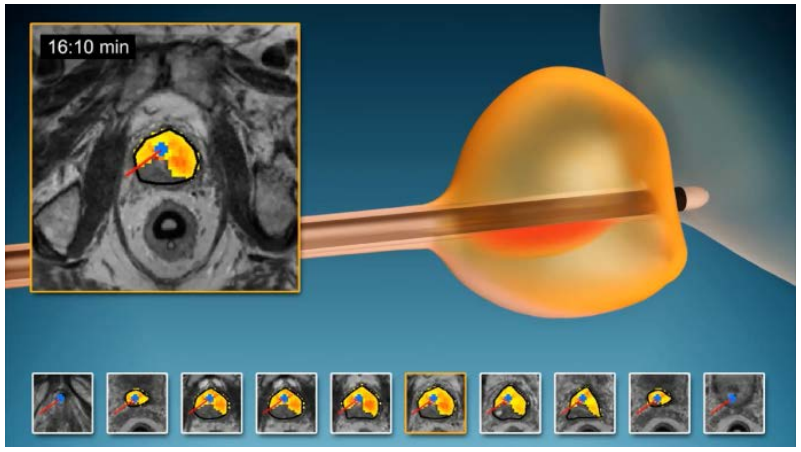
Transurethral Gentle Heating of Prostate to 55º C

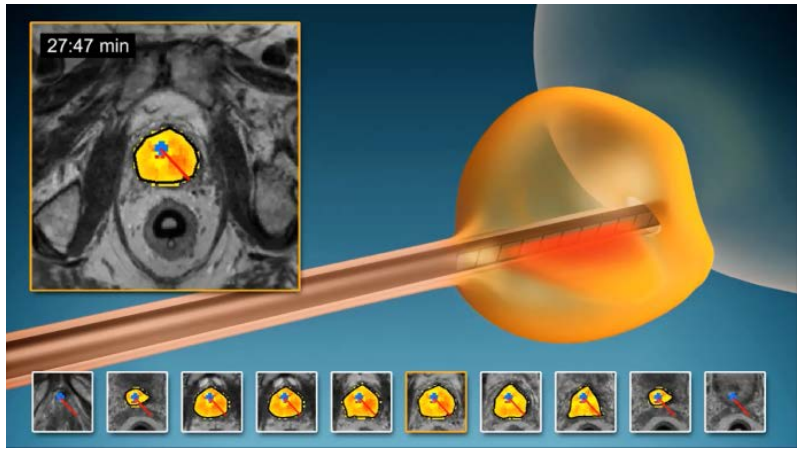
How we ablate

Transurethral Directional Thermal Ultrasound









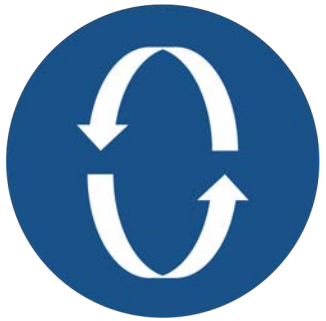
Sweeping ultrasound, continuous rotation

Capable of treating both large and small prostate volumes

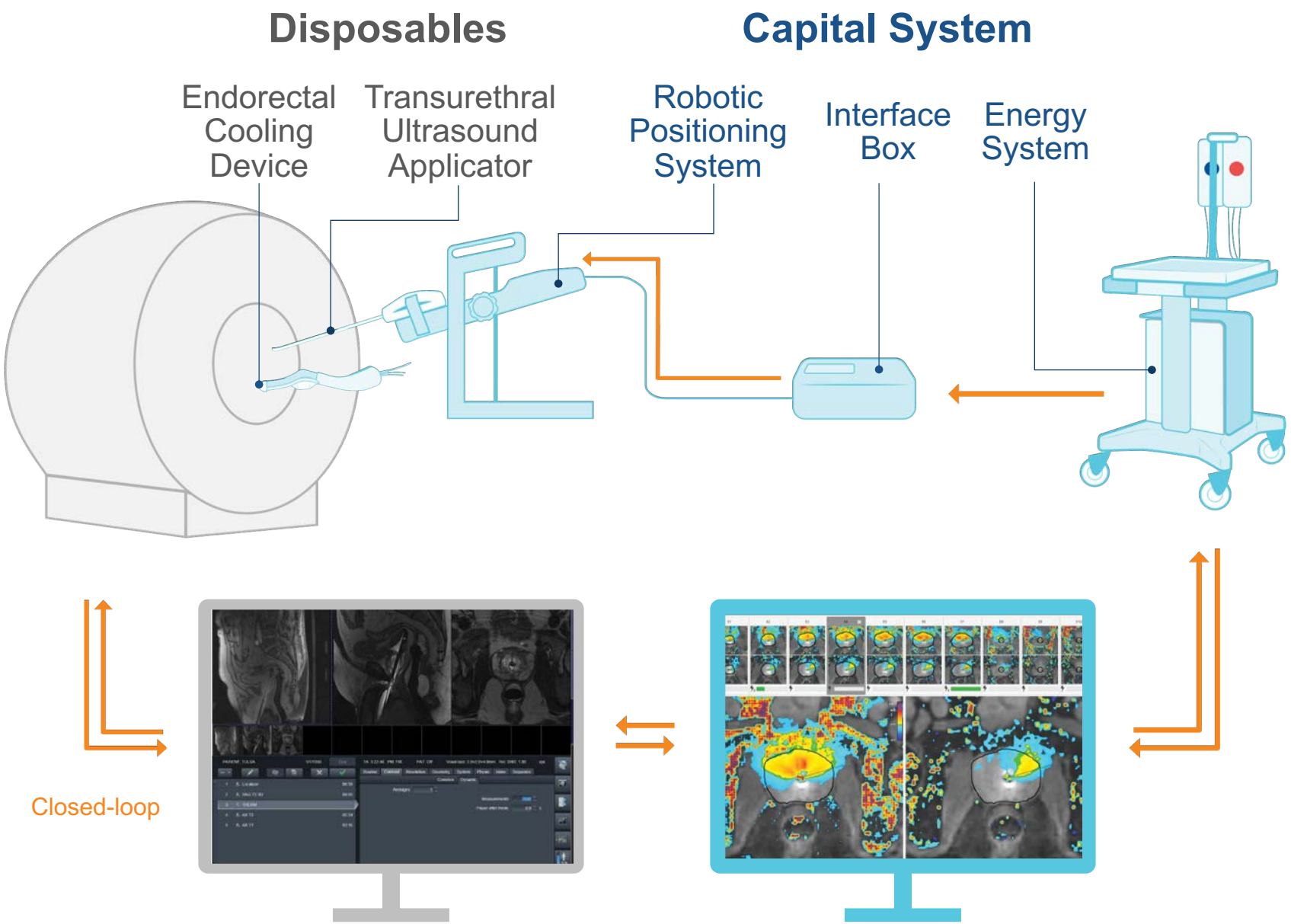
Thermal protection of important anatomy

TULSA-PRO
System Components

How we **control**



Closed-loop Thermal Feedback



PROFOUND

TACT Clinical Trial

Pivotal Study of Whole-Gland Ablation in a Clinically-Significant Patient Population

n = 115	**13** clinical sites	**5** countries	**45 - 80** years old	**Prostate Cancer Risk**	Intermediate (67%) Low (33%)

PSA primary efficacy endpoint resolutely met:

- Median PSA reduction was **95%**, stable to 2 years

Pre-Treatment	Nadir	1 year	2 years
6.3 ng/ml	0.34 ng/ml	0.53 ng/ml	0.63 ng/ml

80% of men

Extensive biopsy sampling demonstrated a histological benefit for nearly 80% of men

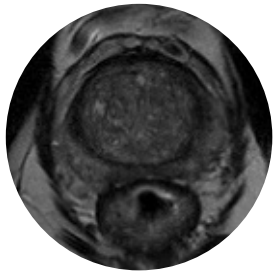
7% of men

Underwent additional intervention for their prostate cancer by 2 years, comparable to accepted rates of relapse after standard prostate cancer treatments

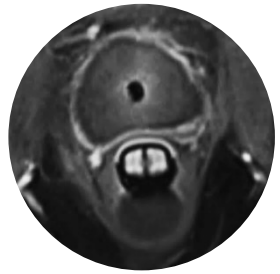
Prostate volume significantly reduced:

- Median prostate volume decreased **91%** from 37 cc to 3 cc

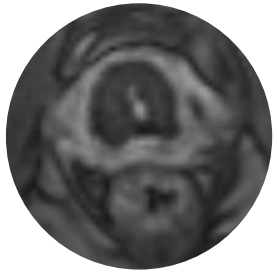
Screening: 58 cc
PSA 5.5 ng/ml



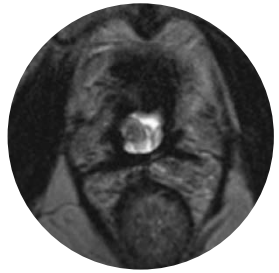
Immediate Post
PSA 6.0 ng/ml



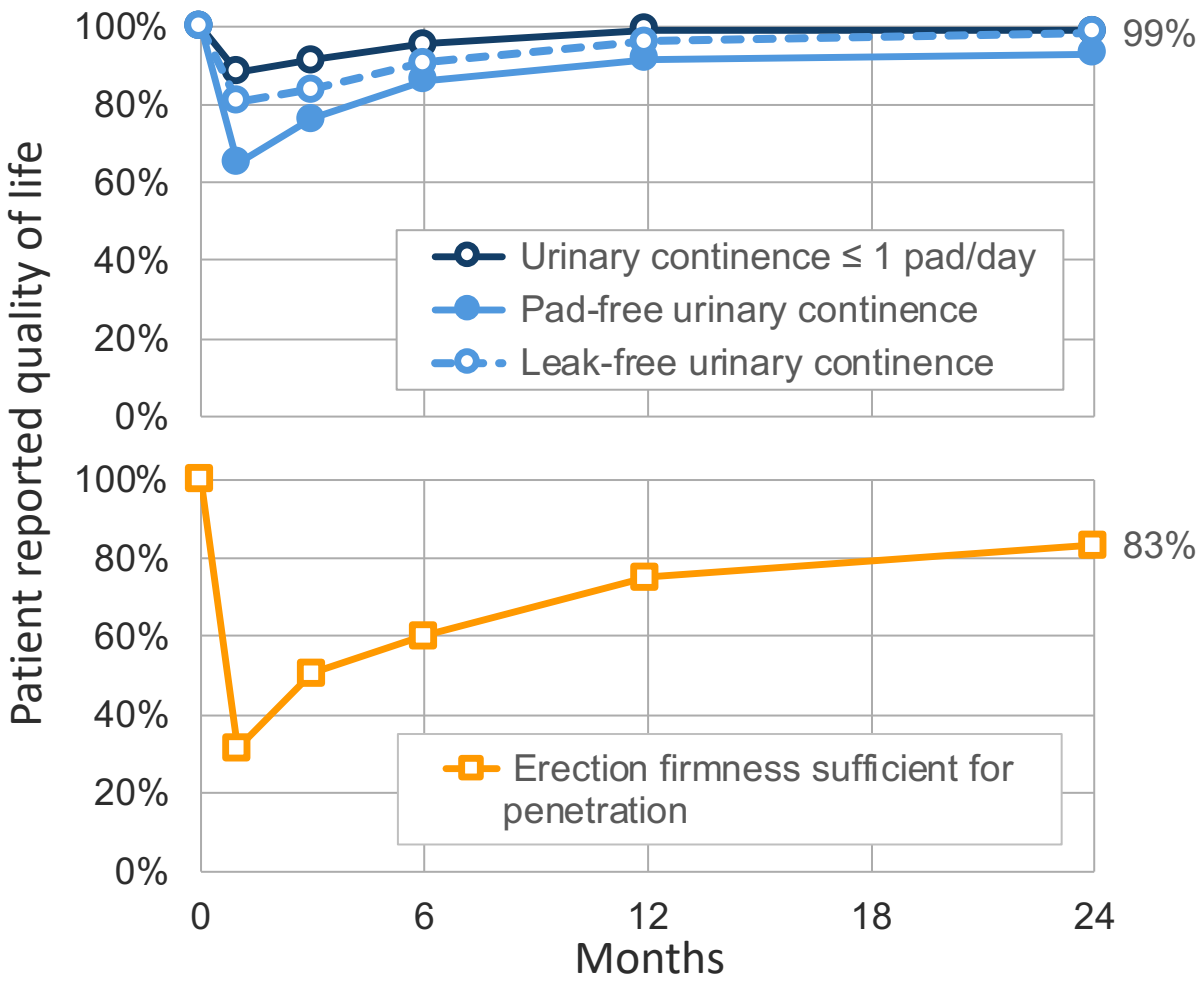
3-months Post
PSA < 0.1 ng/ml



12-months Post: 0.5 cc
PSA < 0.1 ng/ml



TACT
Safety & Patient Quality of Life



Adverse Events

- No grade ≥ 4 adverse events
- No intraoperative complications
- No rectal injury, no rectal fistula
- 7% of men experienced a serious adverse event, all resolved by 1 year

Urinary Incontinence

- No new onset between 1 and 2 years
- 1% patients reported one or more leak per day, 7% wear a pad for security

Erectile Dysfunction

- One new onset between 1 and 2 years
- 0% severe ED (medication not helpful)
- Continued recovery of erectile function at 2 years, 17% previously potent patients reported erection firmness insufficient for penetration

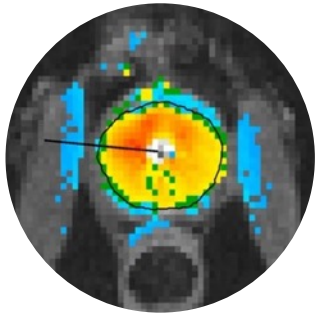
TULSA-PRO

Flexibility to Treat Different Types of Patients

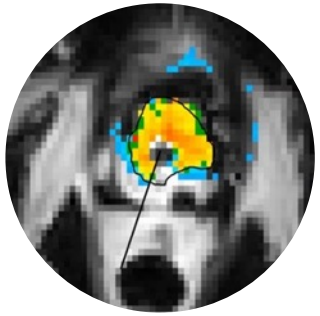
Whole Gland Ablation

Unique Flexibility

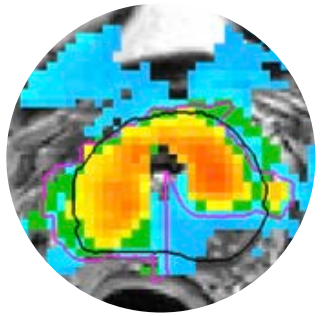
Analogous to surgery and radiation



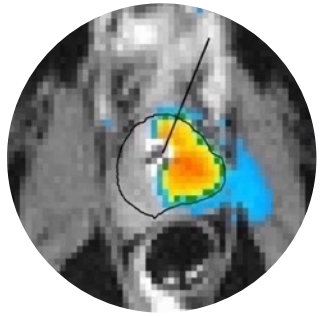
Whole gland post radiation failure



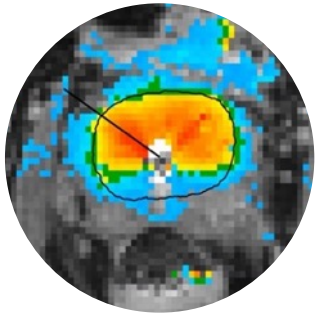
Malignant lesion with lower urinary tract symptoms



Hemi-gland



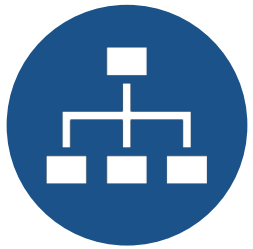
Benign large prostate with lower urinary tract symptoms



U.S. Market Entrance Strategy
TULSA-PRO

Increase Awareness

- TACT clinical data presented at >10 conferences (AUA, EAU, RSNA)
- TULSA-PRO and TACT clinical data presentations
- Low-cost / high-impact patient awareness initiatives
- TULSA patient website with center locator



Potential Delivery Channels

- Imaging centers
- Urology practice co-ops that focus on emerging technologies
- Opinion leading hospitals / Centers of Excellence

Business Models

- Recurring revenue-only
- Capital + consumables sales

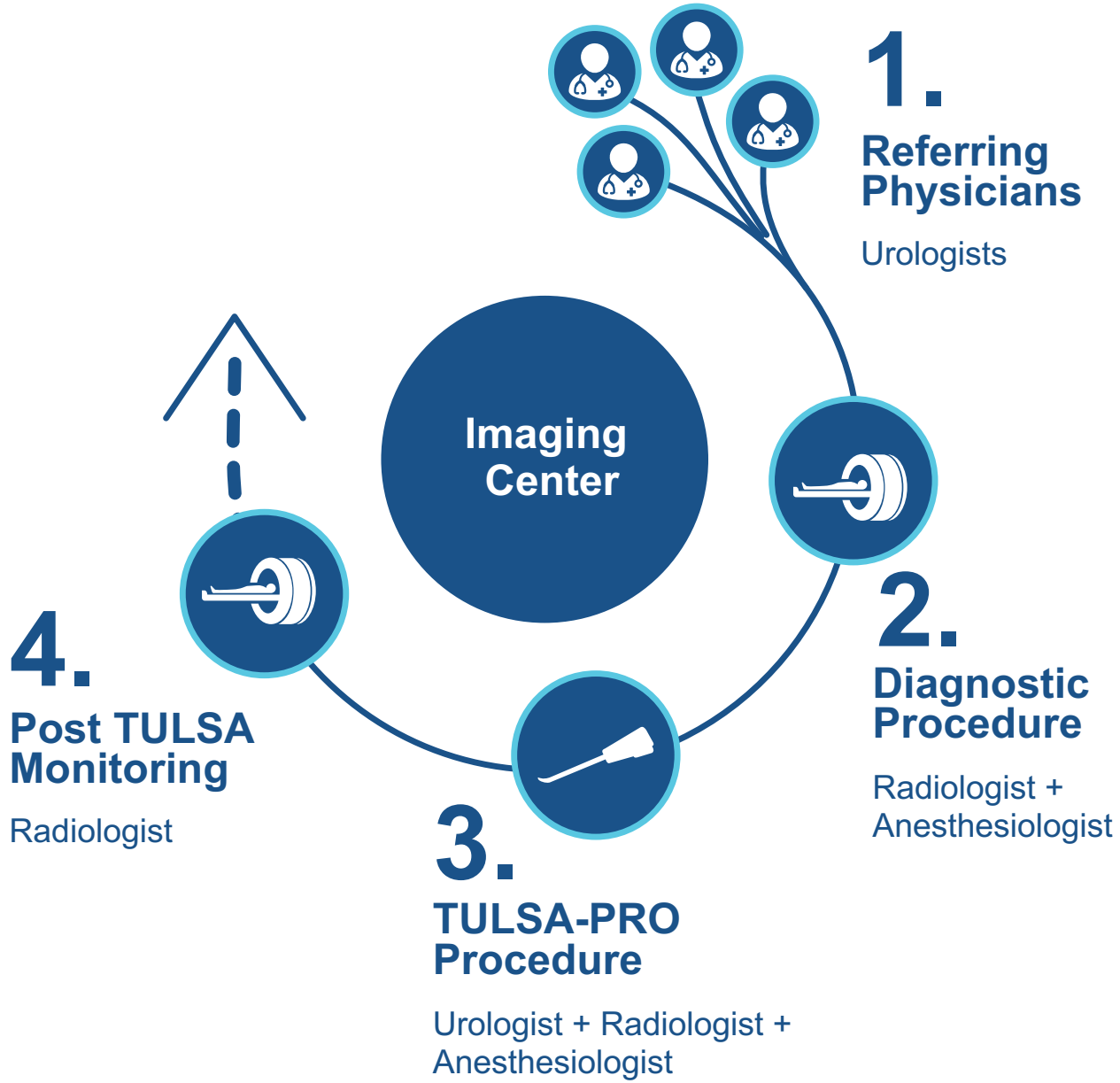
'Profound Genius Services'

- Start-up clinical support
- Flexibility – ablation of range of patients
- Productivity
- Patient awareness
- Reimbursement

Commercial Imaging Centers

Recurring Revenue-Only

- 8,000 -10,000 imaging centers in U.S.; 40% owned by private equity or public companies
- Growing presence in urology due to MRI diagnostics, MRI-guided biopsy, MRI-guided follow-up
- Centers provide:
  - Service
  - Technology
  - In-house Radiologist(s)
  - Local Specialist Relationships (Urologists, Anesthesiologists)
  - Marketing
  - Payer Networks



Centers of Excellence

Capital + Consumables Sales

- Includes many of the TACT study sites
- Will likely be relatively low volume while TULSA is a patient self-pay procedure
- Best positioned to help drive long-term adoption by:
  - Participate in additional trials designed to support reimbursement
  - Training next generation of urologists
  - Presenting at medical conferences
  - Publish papers in relevant journals

TACT Trial Sites

New TULSA-PRO Patient Website

Growing Resource for Prostate Patients

TULSA Center Locator Page

Detailed Information to Help Patients Understand Their Options

Contact Forms to Reach Out to Each Center Directly

Patient Testimonials

Unsolicited Patient Feedback

Positive Word-of-Mouth

Source: www.inspire.com
(search word “TULSA”)

“I firmly believe that TULSA represents the future, not just for GI-7 as at present, but also for GI 8, 9, and 10 some time in the not too distant future.”

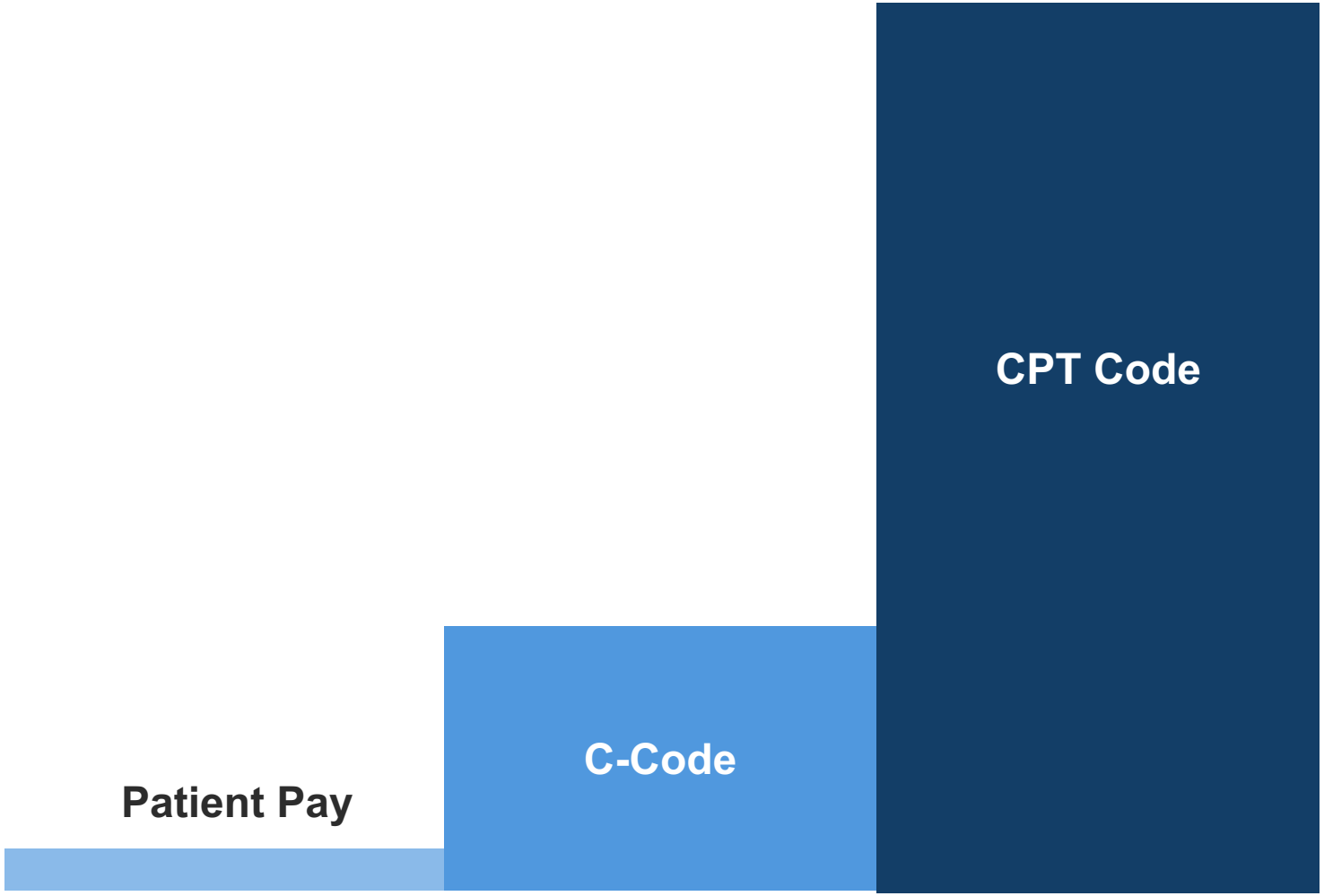
“For BPH, I think TULSA-Pro is a no-brainer. The accuracy of the TULSA-Pro procedure versus the HIFU procedures is much better, as is the imagery needed by the doctors to diagnose.”

“As a guy with a high volume of intermediate stage prostate cancer - GG2 3+4=7 (me being that guy)- and several Professors (PCa Professors of Radiology and Surgery) at a world leading teaching University Teaching Hospital(s) on opposite coasts tell you that you can confidently treat your cancer- and avoid surgery or radiation.... well....that’s just amazing.”

“I am 5 weeks post ablation, no side affects to date, feeling fine.”

Reimbursement Pathway

From “Cleared” to “Covered”



Longer Term

Building an Incision- & Radiation-Free Ablative Therapeutic Platform

Oncology, Highly Symptomatic Chronic Diseases

PROFOUND

SONALLEVE

Current Approvals

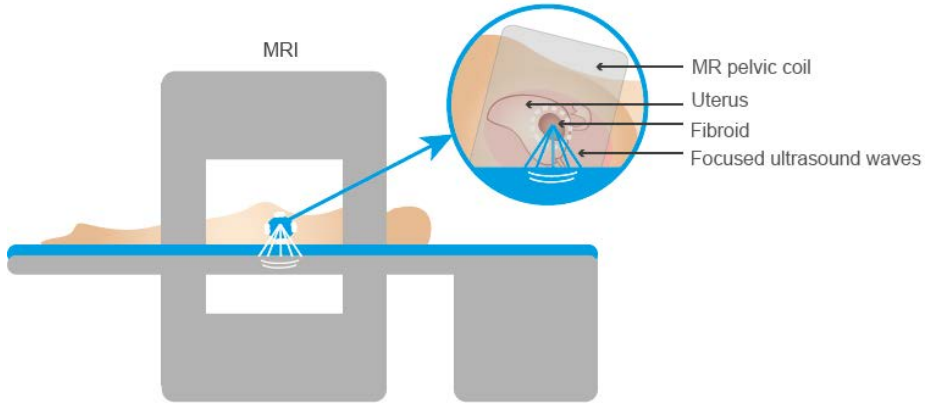
Europe: CE Marked

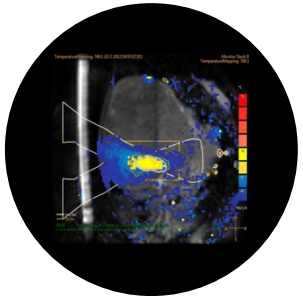
China: CNMPA Approved

Over 200 Publications

from leading U.S. & European clinicians and hospitals

- **Uterine Fibroid Treatment**
- **Pain Management**
- **Pediatric Bone**
- **Hyperthermia**
- **Abdominal Cancer**





In Summary

Introducing TULSA-PRO to U.S. Market

Business Model Designed to be Capital Efficient

- TULSA-PRO: focus on U.S.
- Sonalleve: focus on Asia with larger distribution partner

Future Investments

- Strategically expand U.S.-based sales team, continue work with MRI partners
- Additional clinical trials for TULSA-PRO for reimbursement
- Product enhancements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