PROFOUND MEDICAL

Incision-free Surgery
Real-Time MR Guided Ultrasound Therapies

CORPORATE PRESENTATION | JANUARY 2018

 TSXV: PRN | OTCQX: PRFMF

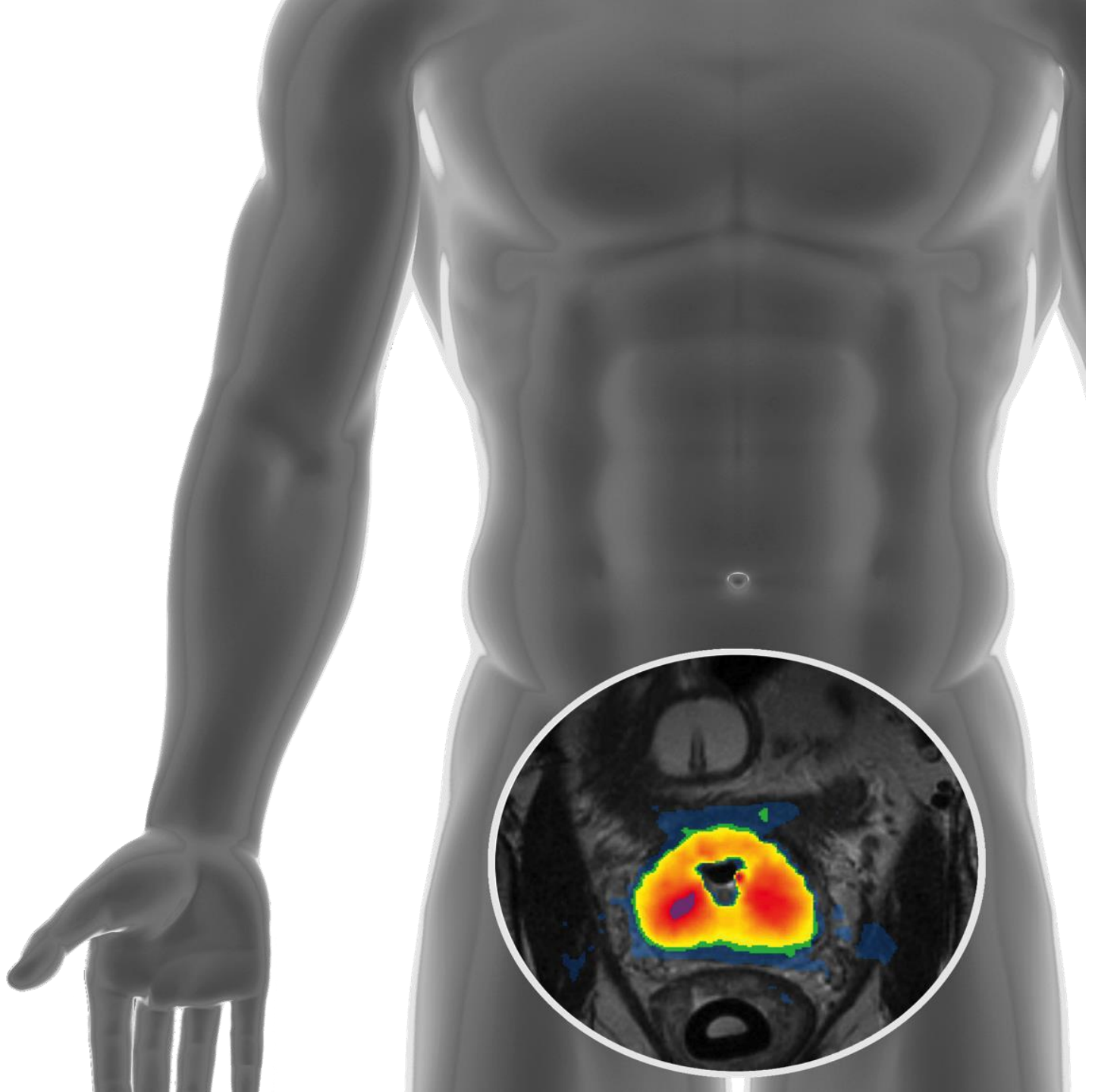
Forward-looking Statements

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 product, expectations regarding the use of its product and its revenue, expenses and operations, plans for and timing of expansion of its product and service offerings, future growth plans, ability to attract and develop and maintain relationships with suppliers, manufacturers, physicians/clinicians, etc., ability to attract and retain personnel, expectations regarding growth in its product markets, competitive position and its expectations regarding competition, ability to raise debt and equity capital to fund future product development, and anticipated trends and challenges in Profound’s business and the markets in which it operates.

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, the risks and uncertainties discussed in the “Risk Factors” section in the Company’s Annual Information Form dated March 28, 2017, such as successful completion of clinical trial phases with respect to Profound’s device, obtaining regulatory approvals in relevant jurisdictions to market Profound’s device, risks related to the regulation of Profound (including the healthcare markets, lack of funding may limit the ability to commercialize and market Profound’s products, fluctuating input prices, international trade and political uncertainty, healthcare regulatory regime in relevant jurisdictions may affect the Company’s financial viability, reimbursement models in relevant jurisdictions may not be advantageous), competition may limit the growth of Profound, if the Company breaches any of the agreements under which it licenses rights from third parties, Profound could lose license rights that are key to its business, loss of key personnel may significantly harm Profound’s business and past performance is not indicative of future performance, 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. 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.

TULSA-PRO®

Prostate Treatment



Emerging Prostate Care Dynamics

Precision Diagnosis will lead to Precise & Personalized Treatment with fewer side effects

Enhanced Diagnosis and Targeted Identification

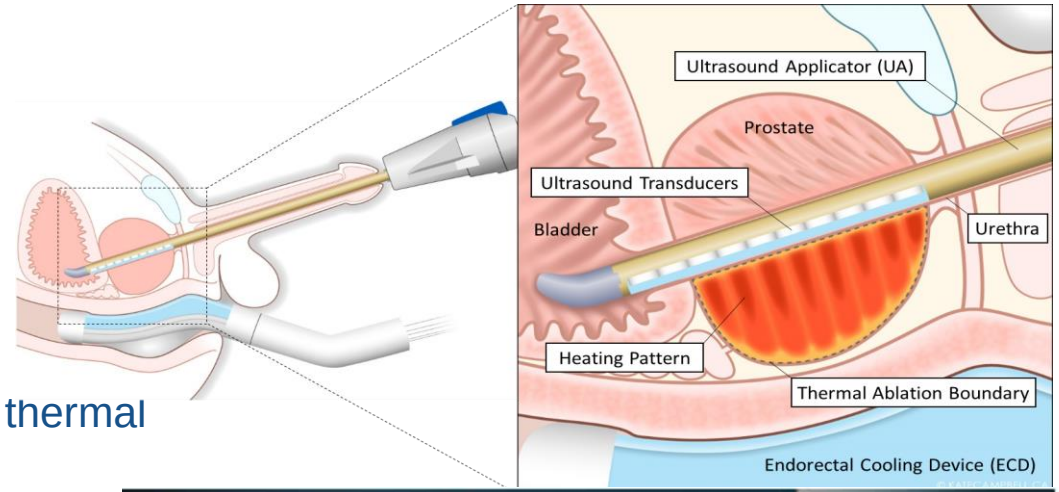
- MP-MRI
- MR Guided Biopsy
- Genomics

Therapy capable of being:

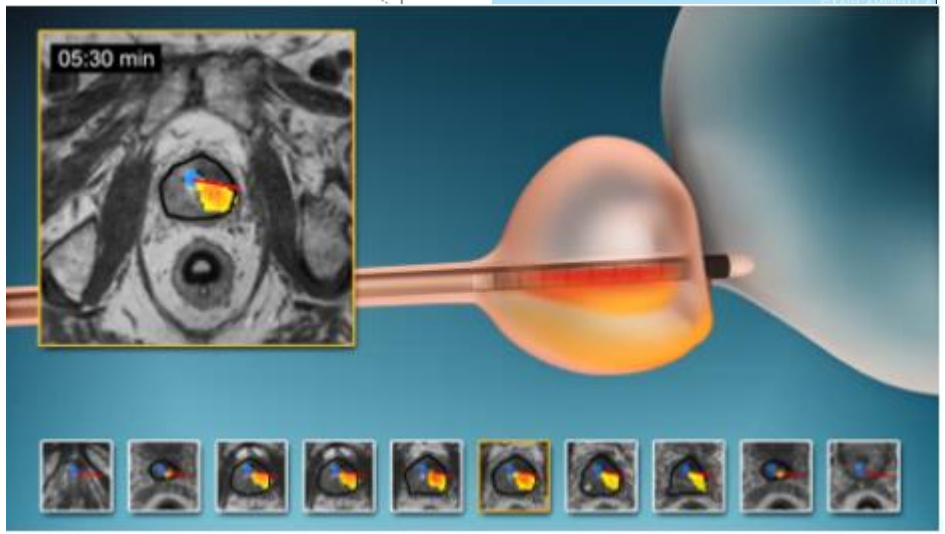
- Personalized to each patient's anatomy and physiology
- Precisely planned
- Delivered with precision

MR-Guided Transurethral Ablation of Prostate using ultrasound to provide thermal energy & real time process control software for precision

TULSA-PRO®



Precise ablation with millimeter accuracy
- Real-Time MR Imaging
- Real-Time process control of ablation using MR temperature map, thermal ultrasound and robotically drive arm



Personalized treatment
- Urologist defines region of ablation
- Full gland to targeted zone ablation therapy for localized prostate cancer
- BPH

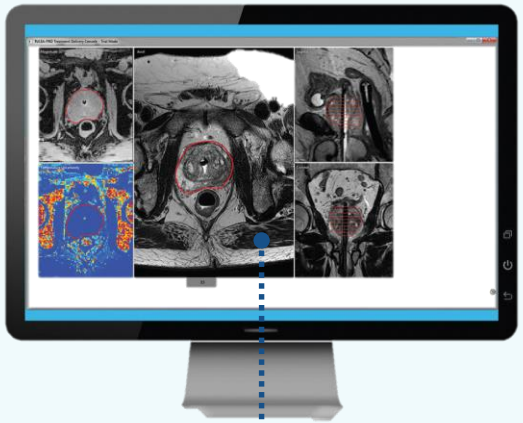
Safe and effective
- Ablate Prostate from Inside-Out; inherently safer than outside-in
- Actively protects urethra and rectum via cooling
- MR Imaging and Ultrasound heating inherently safer modalities
- Low side-effect profile

TULSA-PRO **Equipment**

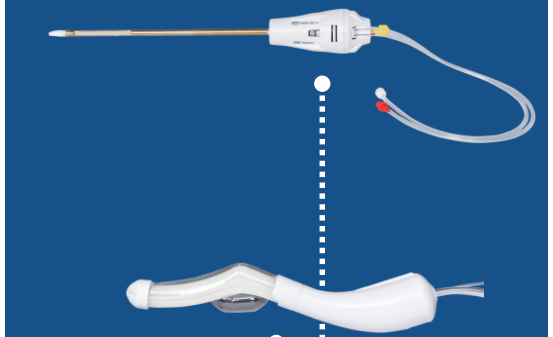
Compatible with MR from leading companies – Philips and Siemens

Robotic Arm,
Computer Hardware

Energy
System



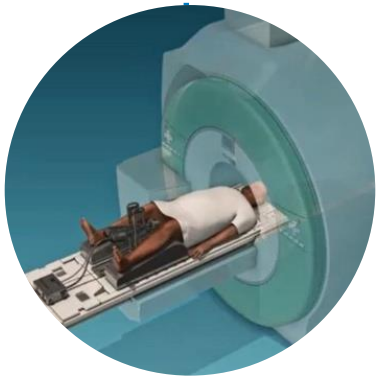
Surgeon Console
Control Room



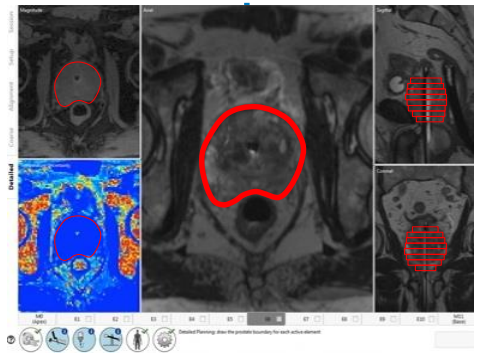
Disposable
Applicators

Treatment **Work Flow**

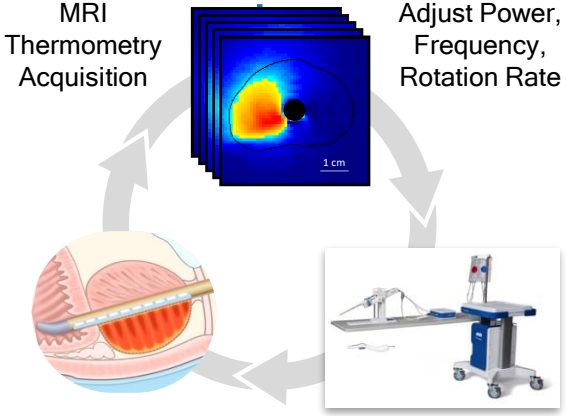
1 2 3 4



MRI Guided Device Positioning

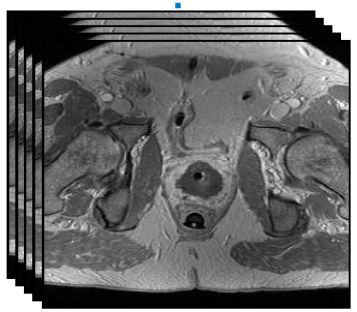


Precise Treatment Planning



Automated, Robotically driven

1. Controlled algorithm
2. Target temp 55^0 C
3. Ablation in 40 minutes



Confirmation of Ablation Margin with MRI

Enables **Targeted to Whole-Gland Treatment**

- Over 90% of prostate cancers present with multi-focal lesions [1]
- Unilateral (one-sided) disease is estimated in 20-40% of patients [1]

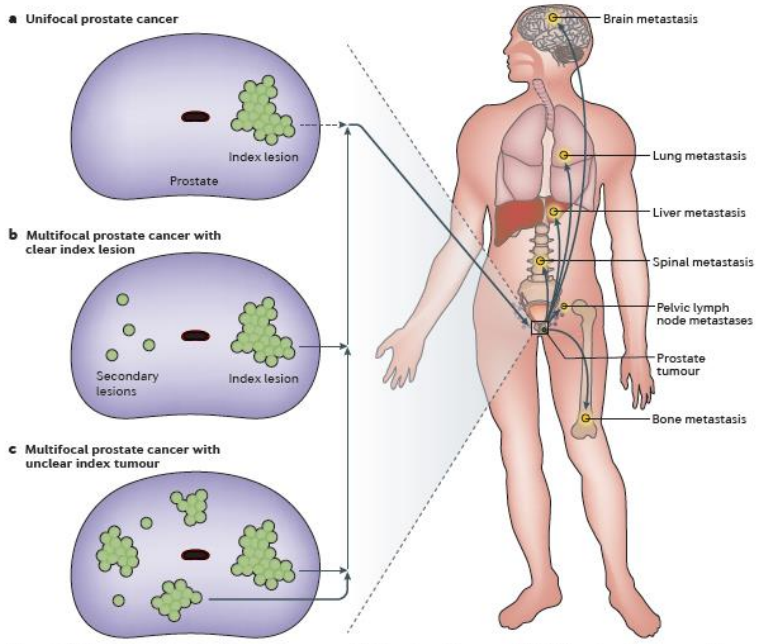
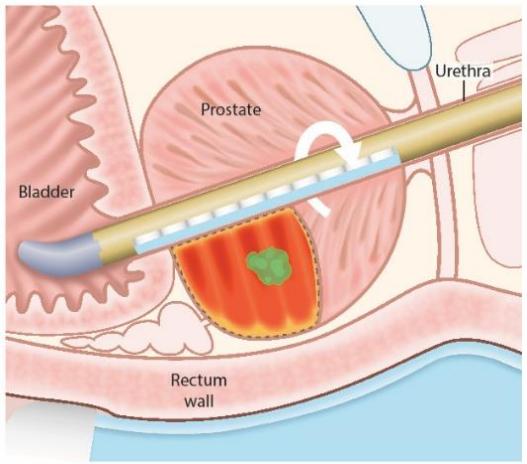


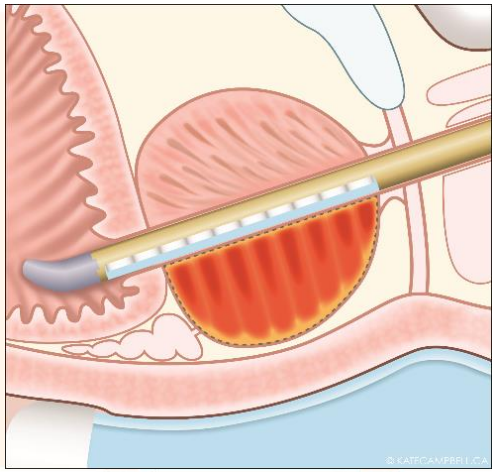
Figure 1 | **Metastatic properties of prostate cancer.** a | Unifocal prostate cancer. b | Multifocal prostate cancer with clear index lesion and one or more separate secondary tumour foci with smaller volumes (most common). c | Multifocal cancer with unclear index tumour.

1. Perera M et al. An update on focal therapy for prostate cancer. Nature Reviews Urol 2016; 13:641-53.

- Multi-focal nature of prostate cancer requires that clinicians have tools that can provide them safe and effective focal to whole gland range of treatment



Focal Ablation



Whole Gland Ablation

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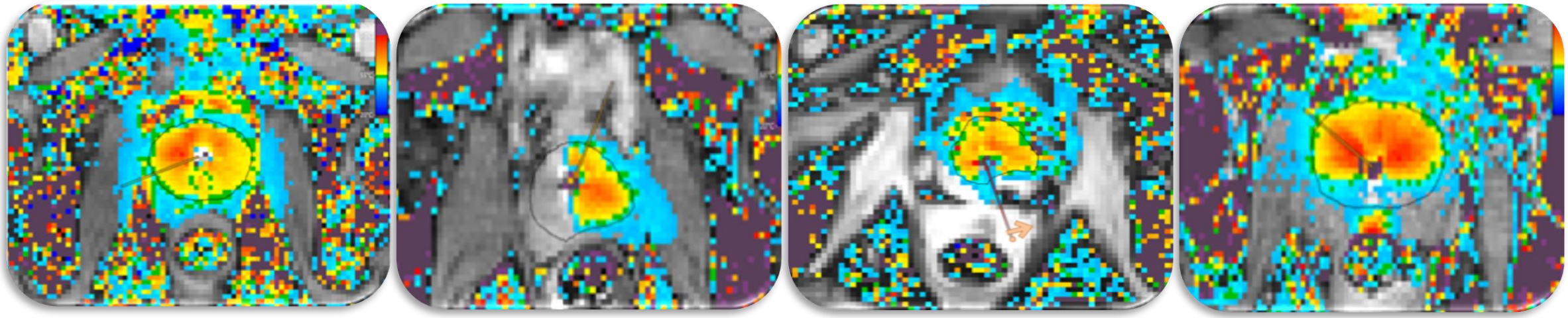
TULSA Technology: **Flexibility**

Whole Gland Ablation | Targeted Ablation | Salvage Therapy post Radiation Therapy Failure | BPH



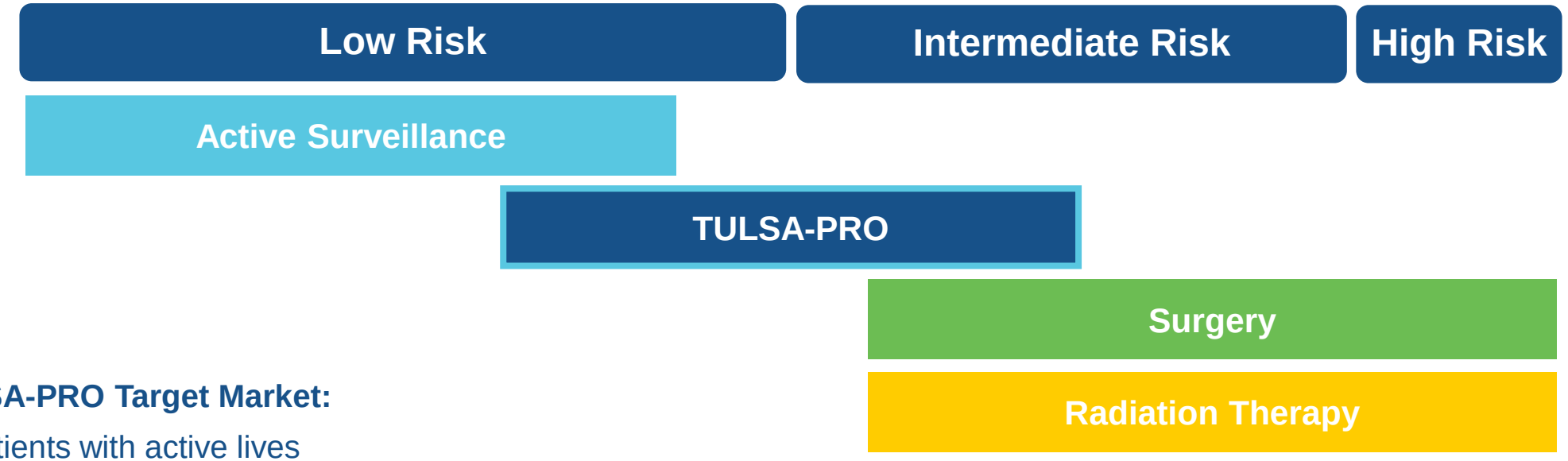
- Treatment – natural follow-on to MRI guided diagnosis and MRI guided biopsy to diagnose disease with precision
- Outpatient procedure – patients discharged within 24 hours
- Personalized treatment plan to each prostate anatomy and pathology
- Treated prostates as large a 120 ml
- Real-time MRI guidance and control ensures accurate ablation to 1.3 mm precision
- Phase I clinical trial demonstrated TULSA-PRO to be safe, feasible, well tolerated, with low side-effect profile

Prostate Cancer **Therapies Today**

Unmet needs:

1. Patients with active lives
2. Patients under active surveillance but don’t want to wait, or also have BPH
3. Patients with co-morbidities preventing surgical intervention
4. Salvage patients who failed radiation treatment
5. Patients with early stage disease (Gleason 3+3) but genetic testing indicates aggressive disease
6. Patients with mid stage disease with MRI visible disease pattern
7. BPH patients who value erectile and ejaculatory functions

TULSA-PRO Addressing **Unmet Needs**



TULSA-PRO Target Market:

1. Patients with active lives
2. Patients under active surveillance but don't want to wait, or also have BPH
3. Patients with co-morbidities preventing surgical intervention
4. Salvage patients who failed radiation treatment
5. Patients with early stage disease (Gleason 3+3) but with aggressive disease
6. Patients with mid stage disease with MRI visible disease pattern
7. BPH patients who value erectile and ejaculatory functions

Low Risk	Intermediate Risk	High Risk
PSA < 10 ng/ml & GS <7 & cT1-2a	PSA 10-20 ng/ml or GS 7 or cT2b	PSA > 20 ng/ml or GS >7 or cT2c

Patient groups appropriate to treat with TULSA-PRO

TULSA does not interfere with any additional intervention if needed in the future

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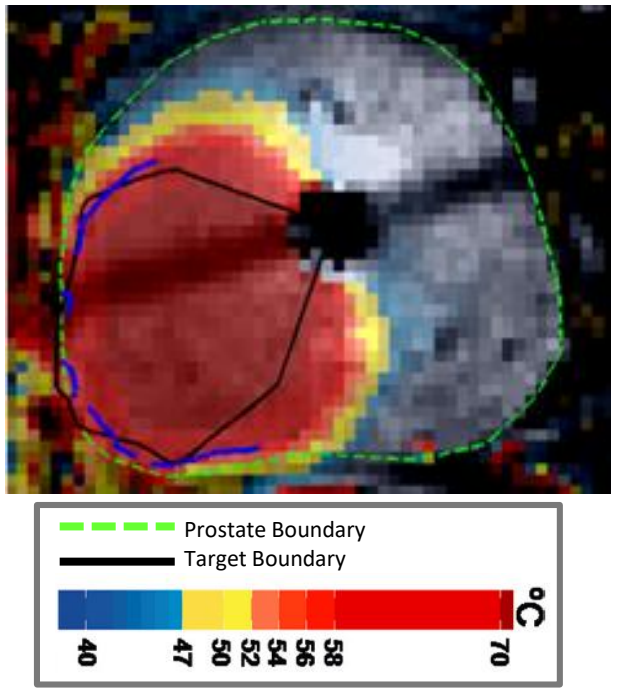
Targeted Ablation (Focal Therapy)

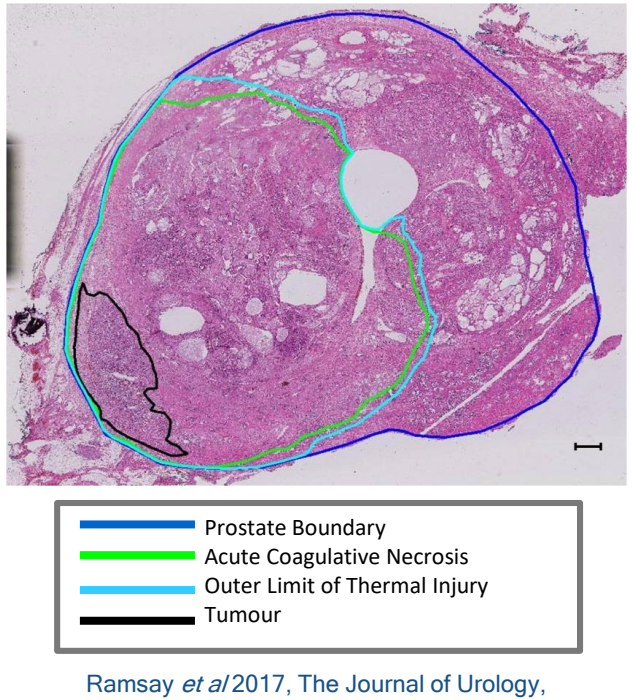
Clinical Histology

- Treat-and-resect clinical study, targeting MRI-visible lesion with TULSA (n=5)
- TULSA followed by Radical Prostatectomy on same day
- Demonstrated complete ablation of target lesion to prostate capsule on gold-standard whole-mount histology
- Treatment accuracy with respect to histology: -0.4 ± 1.7 mm
- All index tumors were inside the histological outer limit of thermal injury

MRI Thermometry



H&E Histology



Ramsay *et al* 2017, The Journal of Urology, 197(1):255-261

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Phase I Clinical Trial Completed – **90%** Prostate Ablation

Study Population

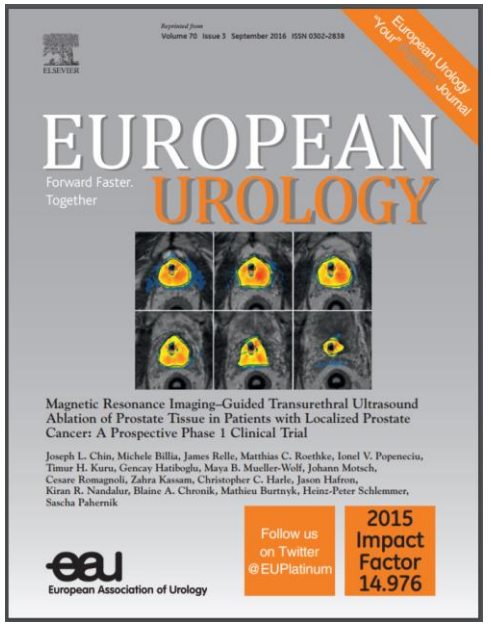
- Low (80%) & intermediate (20%) risk prostate cancer patients, ≥ 65 years old (n=30)

Primary Endpoints & Outcomes

1. Safety: Frequency and severity of adverse events
   - Erectile function (erection firmness sufficient for penetration, IIEF Q2 ≥ 2)
     21/30 patients potent pre-treatment → 20/29 potent at 12 months
   - Urinary incontinence (pads): 0/30 patients at 12 months
   - No rectal fistula or bowel urgency
   - Well-tolerated favorable safety profile with minor impact on urinary, erectile and bowel function (IPSS, IIEF, UCLA-PCI-SF) at 12 months
2. Feasibility: Conformal thermal ablation of target prostate volume
   - Median ultrasound treatment time: 36 min for 44 cc prostate volume
   - Median thermal ablation accuracy and precision: 0.1 ± 1.3 mm

Ablation Efficacy Outcomes

- Treatment plan included ablating only 90% of the inner-core of the prostate
- Prostate volume reduced by 88%, measured by MRI at 12 months
- PSA decreased 90% to nadir, 87% at 1 month, stable to 0.8 ng/ml at 12 months
- Total cancer core length reduced by 75%, determined by prostate TRUS biopsy at 12 months



Chin *et al*, European Urology (2016)
Bonekamp *et al*, European Radiology (submitted)

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TACT Pivotal Trial

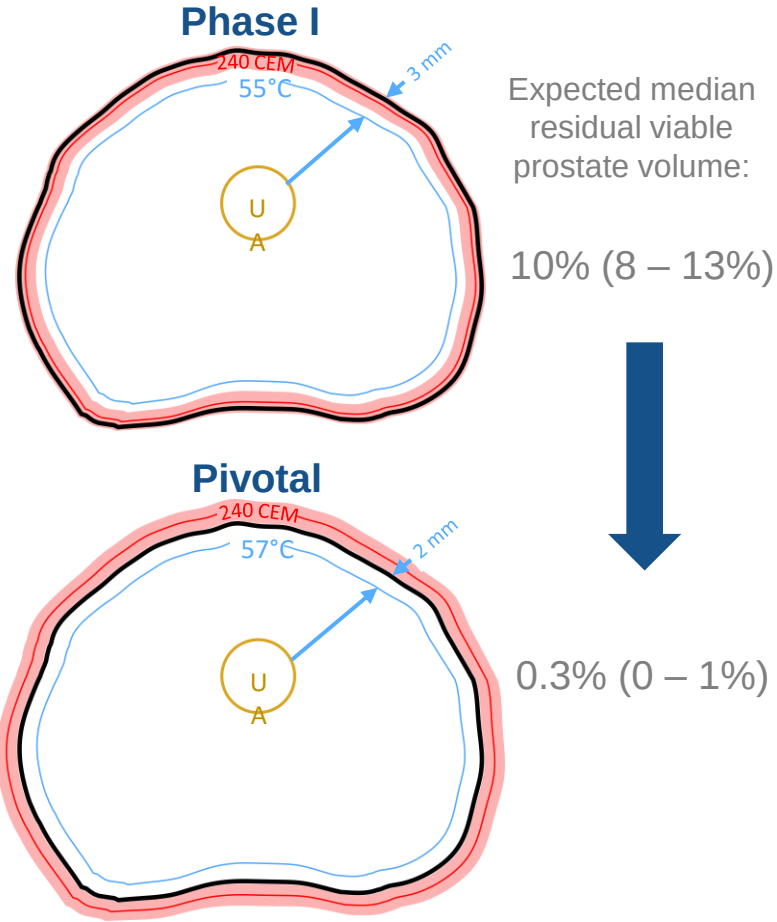
To Support FDA Application, Enrollment Completion Feb 2018

Study Population
- Low & intermediate risk prostate cancer patients, 45 – 80 years old
- n=110, 13 clinical sites

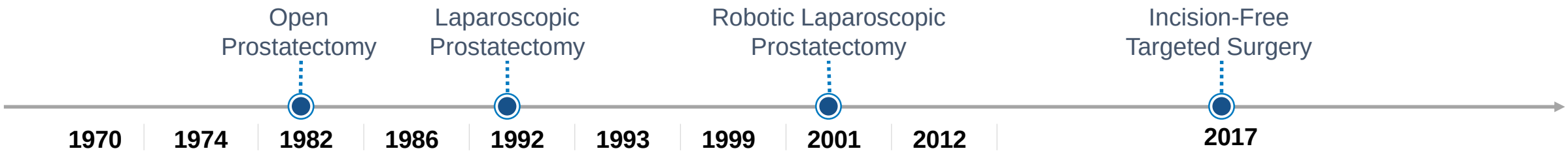
Treatment Plan
- Reduced margin, with < 1% residual viable prostate around gland periphery

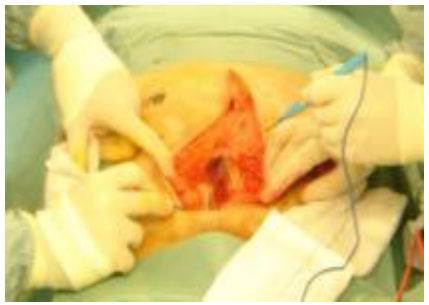
Primary Endpoints
- Safety – Frequency and severity of adverse events
- Efficacy – PSA reduction ≥ 75%
  - Proportion of patients achieving PSA nadir ≤ 25% of the pre-treatment baseline value
  - Performance goal for the success proportion is 50% of patients

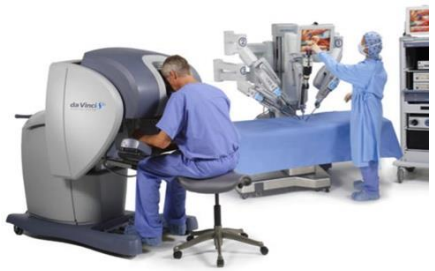
Secondary Endpoints
- Prostate volume reduction on MRI at 12 months
- PSA nadir & stability – % patients with PSA ≤ 0.5 ng/ml at nadir & 12 months
- Prostate TRUS biopsy – % patients with negative biopsy at 12 months
- Erectile function – Change in % patients with IIEF-5 ≥ 17
- Erection firmness sufficient for penetration – Change in % patients with IIEF item 2 ≥ 2
- Urinary incontinence – Change in % patients using ≥ 1 pad / day
- Quality of life – IPSS, IIEF-15 & EPIC-50
- Targeting accuracy – Accuracy and precision of conformal thermal ablation of target prostate volume



From Open Surgery to **Incision-Free** Surgery





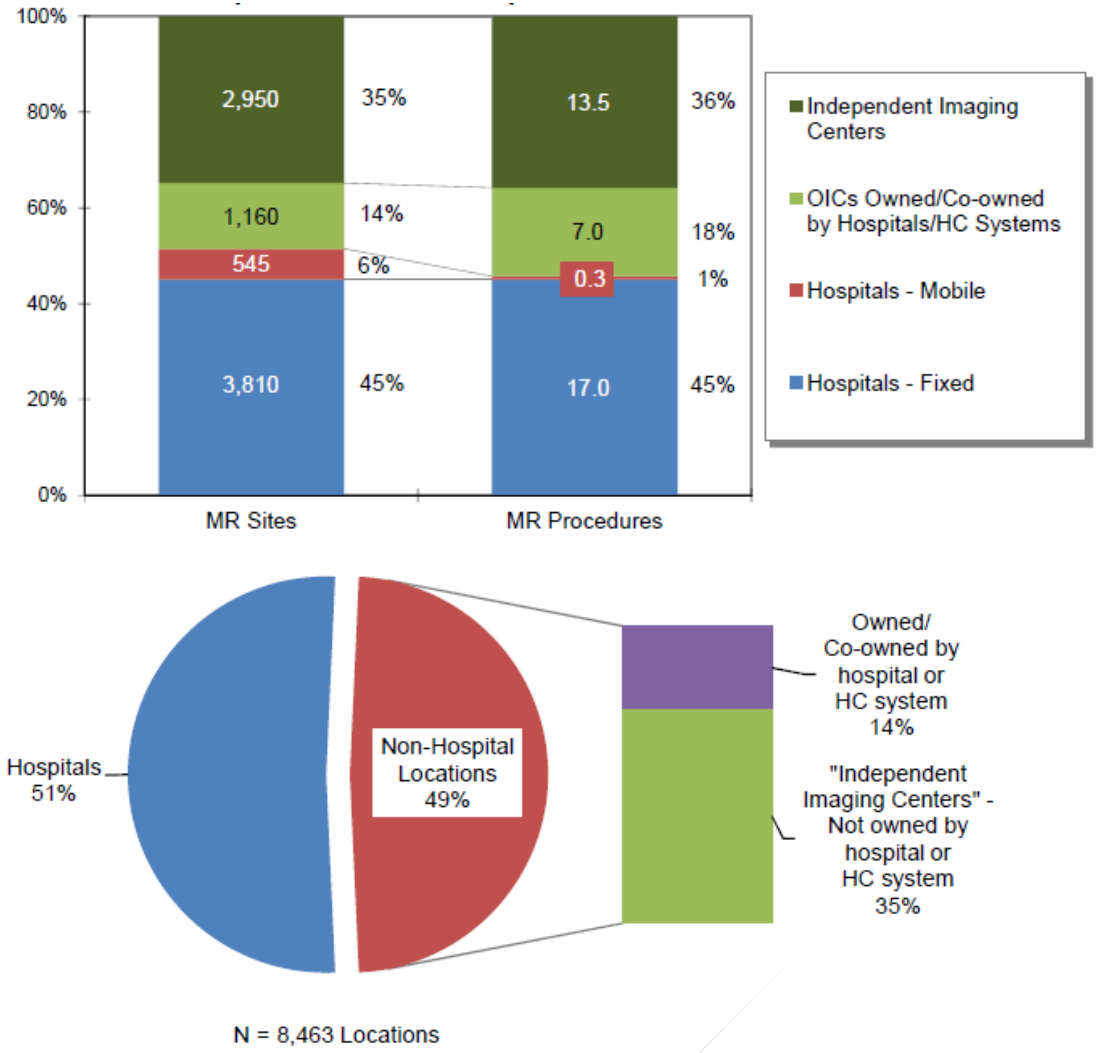


SURGERY TYPE	FULL PROSTATE REMOVAL	FLEXIBLE: FULL PROSTATE OR TARGETED CANCER ABLATION
Invasiveness	Reduced	Incision free
Recovery time	Reduced	Day surgery
Clinical outcome	Unchanged	Superior
Surgeon skill	Dependent	Closed loop process control
Cost of Surgery	Higher	Lower

Target Customer Segments

Clinical Leadership Hospitals	Private Practice Clinical Leadership
• Academic/KOL	• Private practice, including large urology practices
• Best-in-class organizations	• Organizations motivated by financial results as well as clinical differentiation of their institution
• Interested in research and advancing practice	• They look to partner with manufacturers who provide innovative products, contributing to their ability to attract more patients, generate revenues, and differentiate themselves
• They look to partner with manufacturers who provide innovative products, contributing to their ability to deliver better care, improve patient satisfaction and differentiate themselves	

US MR Installed Base



IMV: 2015 MR Market Outlook Report. Dec 2015

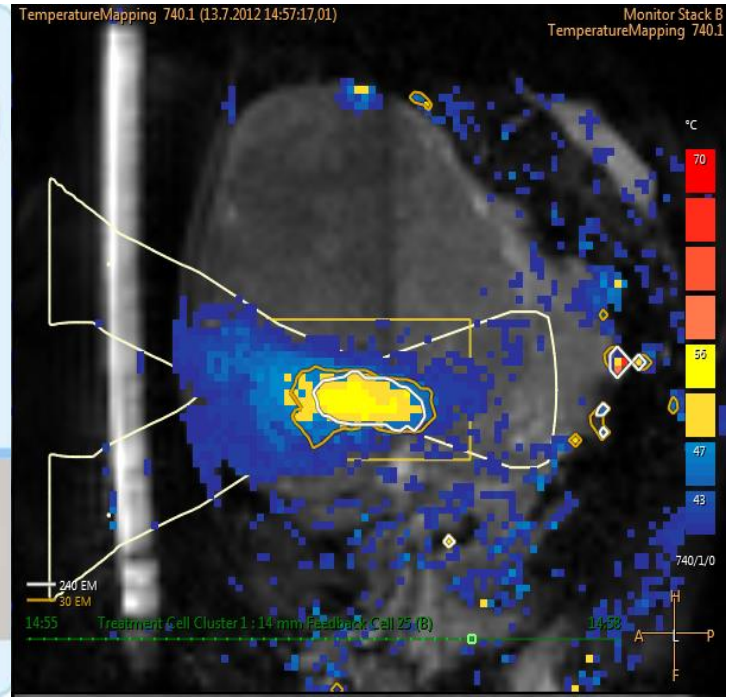
SONALLEVE

Technology platform for:

- Uterine Fibroid Treatment
- Bone Metastasis Pain
- Pediatric bone
- Hyperthermia

Over 200 publications from leading US and European clinicians and hospitals

CE Marked



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Uterine Fibroid: Symptom **Relief** & **Durability**

In normal commercial use, over 85% of patients experienced sustained symptom improvement

Months post-procedure	Patients available for follow-up	Symptom improvement		
		Improved	No relief	Worse
3 months	105	90 (85.7%)	14 (13.3%)	1 (1%)
6 months	99	92 (92.9%)	7 (7.1%)	0
12 months	89	78 (87.6%)	11 (12.4%)	0

Durability of the therapeutic effect compared to other uterine preserving treatments

Need for alternative treatment	@ 12 month	@ 24 month	References
Myomectomy	10.6 %	13-16.5 %	1,2,3,4
UAE (Uterine Artery Embolization)	7-10 %	12.7-23.7 %	5,6,7
MR-HIFU/MRgFUSNPV >60%	6 %	13 %	8

"Volumetric MR-guided high-intensity focused ultrasound ablation of uterine fibroids: treatment speed and factors influencing speed," M. J. Park, Y. S. Kim, B. Keserci, H. Rhim, and H. K. Lim, Eur Radiol, vol. 23, no. 4, pp. 943–950, Apr. 2013. 1. Gorny KR, Woodrum DA et al. Magnetic resonance–guided focused ultrasound of uterine leiomyomas: review of a 12-month outcome of 130 clinical patients. J Vasc Interv Radiol 2011 2. Subramanian S, Clark MA, Isaacson K. Outcome and resource use associated with myomectomy. Obs & Gyn.2001; 98: 583-587 3. Nezhat FR, Roemisch M, et al. Recurrence rate after laparoscopic myomectomy. Am Assoc Gynecol Laparosc. 1998;5: 237-240 4. Rossseti et al. Long term results of laparoscopic myomectomy: recurrence rate in comparison with abdominal myomectomy. Hum Reprod. 2001:16:770-774 5. Doridot et al. Recurrence of leiomyomata after laparoscopic myomectomy. J Am Assoc Gynecol Laparosc. 2001;8: 495-500 6. Spies JB, Bruno J, et al. Long-term outcome of uterine artery embolization of leiomyomata. Obstet Gynecol. 2005; 106: 933-939 7. Goodwin SC, Spies JB, et al. Uterine artery embolization for treatment of leiomyomata: long-term outcomes from FIBROID registry. Obstet & Gynecol. 2008; 111: 22-32 8. Sharp HT. Assessment of new technology in the treatment of idiopathic menorrhagia and uterine leiomyomata. Obstet Gynecol. 2006;108: 990–1003

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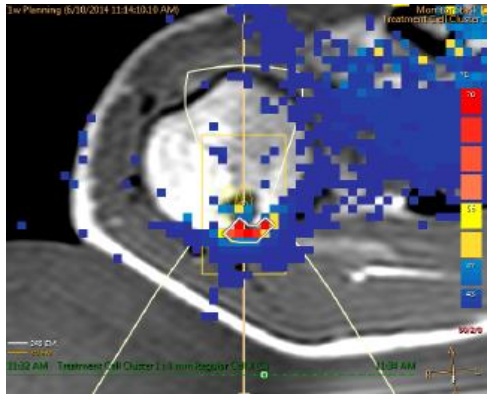
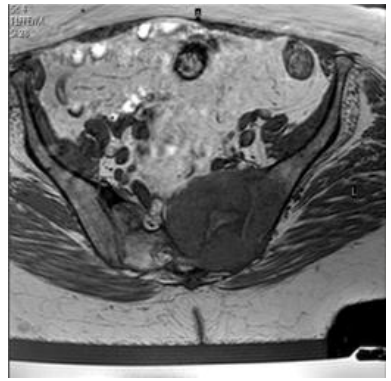
Sonalleve: **Bone Metastasis** Pain Therapy

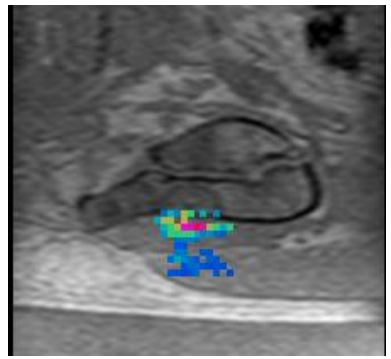
Non-invasive alternative to radiotherapy

Most patients with slow growing tumors develop bone metastasis in the later stage of the disease. Bone changes and malformations irritate nerve endings creating significant pain for patients.

- Radiotherapy standard of care for bone mets, but 20-30% of patients do not respond
- Sonalleve as non-invasive alternative to radiotherapy
- Heating of bone surface, ablation of periosteal nerves
- Quick pain relieve in 2-3 days, vs. radiotherapy typical 3 weeks

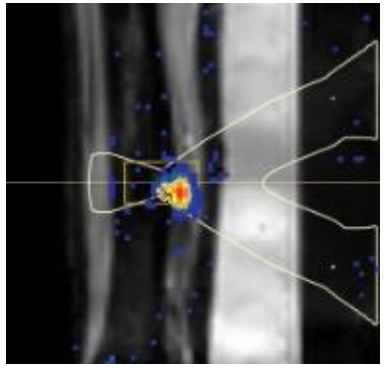






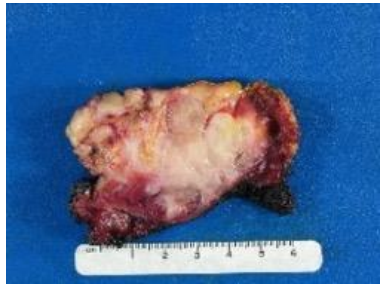
Exploring Further Indications on Current Platform

Pediatrics, Hyperthermia



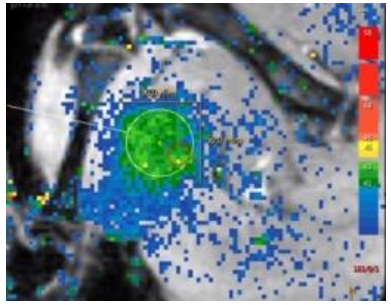
Pediatrics: Osteoid osteoma

- Very painful, benign bone tumor in children and young adults
- MR-HIFU very effective, immediate pain relief and bone restructuring
- Standard of care is radiofrequency ablation (RFA, invasive)



Pediatrics: Desmoid tumors (Fibromatosis)

- Benign aggressively growing tumors, everywhere in the body
- Can cause severe (bulk) symptoms
- Surgery (+/- radiotherapy) is standard of care, but high risk of recurrence
- Successful MR-HIFU treatments presented as individual case studies

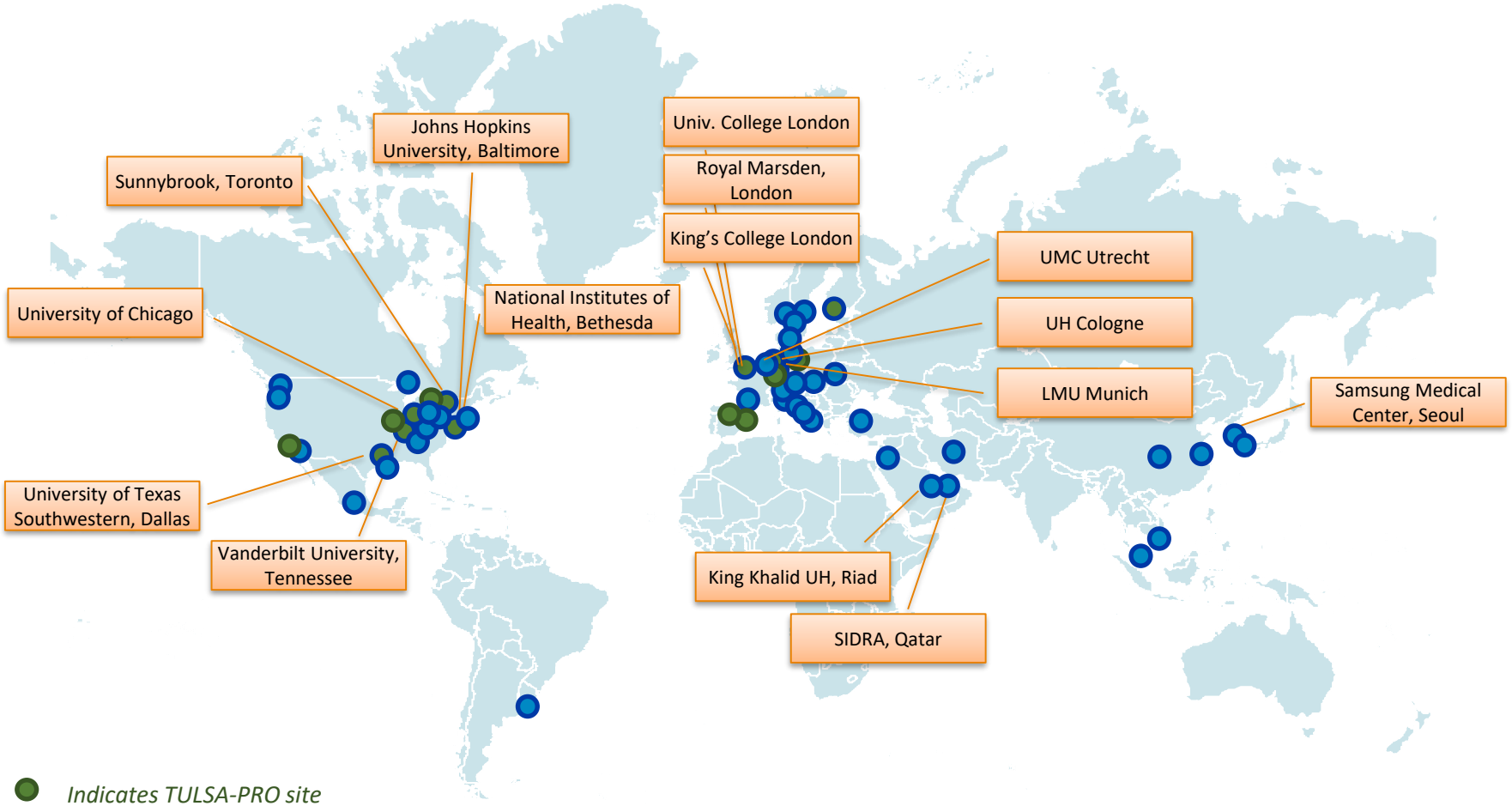


Hyperthermia

- Increase tumor sensitivity to Radiation and Chemo Therapy
- Local heating to 40 – 43°C, precise control of temperature and lesion size
- Adjuvant therapy to chemotherapy or radiation therapy.
- Enabling technology for Local Drug Delivery

Commercialization

Strong **Global Network** of Clinical Partners



Market Introduction **Strategy**

- Strategic Partnerships: expanded and existing collaborations with MR partners will drive revenue:
  - Capital Sales
  - Co-selling
  - Co-marketing
- Build direct sales to drive procedure adoption and disposable sales
- Focus Sonalleve sales in Asian market and academic hospitals in North America and Europe, until a US strategy is developed by end of 2018

PHILIPS

SIEMENS

Reimbursement Environment

US

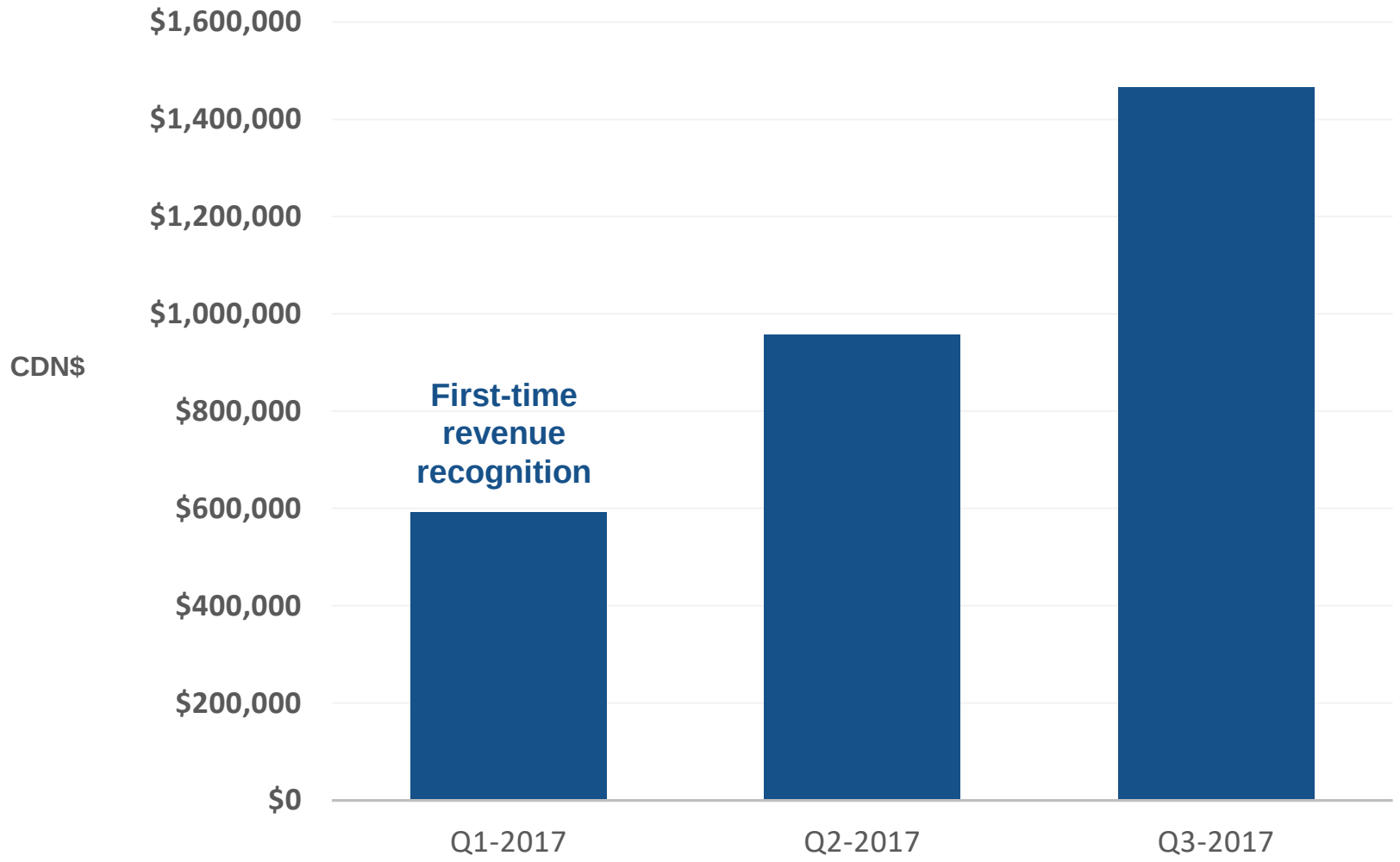
PROCEDURE	APPROXIMATE HOSPITAL PAYMENT	APPROXIMATE SURGEON PAYMENT
Laparoscopic Radical Prostatectomy	$10,000	$1,450
Radiation Therapy (IMRT Simple, 40 Sessions)	$20,000	Fee bundled into primary APC
Brachytherapy	$8,000	$2,200
Cryoablation	$10,000	$800

Germany

TULSA-PRO part of DRG payment to the hospital 3,963 Euros as of January 2018

* Payment is the sum of the indicated APC/CPT codes
** Payments are for Medicare patients. Private payer payments for these procedures will vary and may result in higher payments than published Medicare rates.

European Pilot Commercial Launch
Revenue Ramp



PROFOUND MEDICAL

Profound Medical

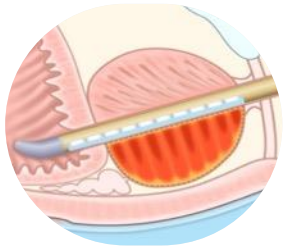
Summary

INCISION-FREE PROCEDURES

REAL-TIME MR GUIDED TREATMENTS

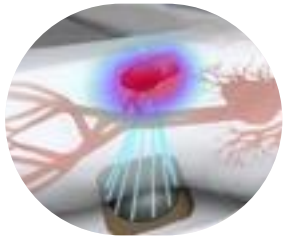
1. **Precise**
2. **Personalized**
3. **Safe**

TULSA-PRO®



Ultrasound ‘Inside-Out’
- Prostate Disease
- CE marked
- FDA expected 2019

Sonalleve



Ultrasound ‘Outside-In’
- Uterine Fibroids
- Bone Metastasis
- CE marked
- Extending indications