



PROFOUND

Customizable, Incision-Free
Ablation Therapies

Corporate Presentation | December 2019

© 2019 Profound Medical Corp.

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 (particularly the TULSA-PRO system following FDA clearance) 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. 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 and SONALLEVE are registered trademarks of Profound Medical Corp.

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.

“My life should not
have to change”

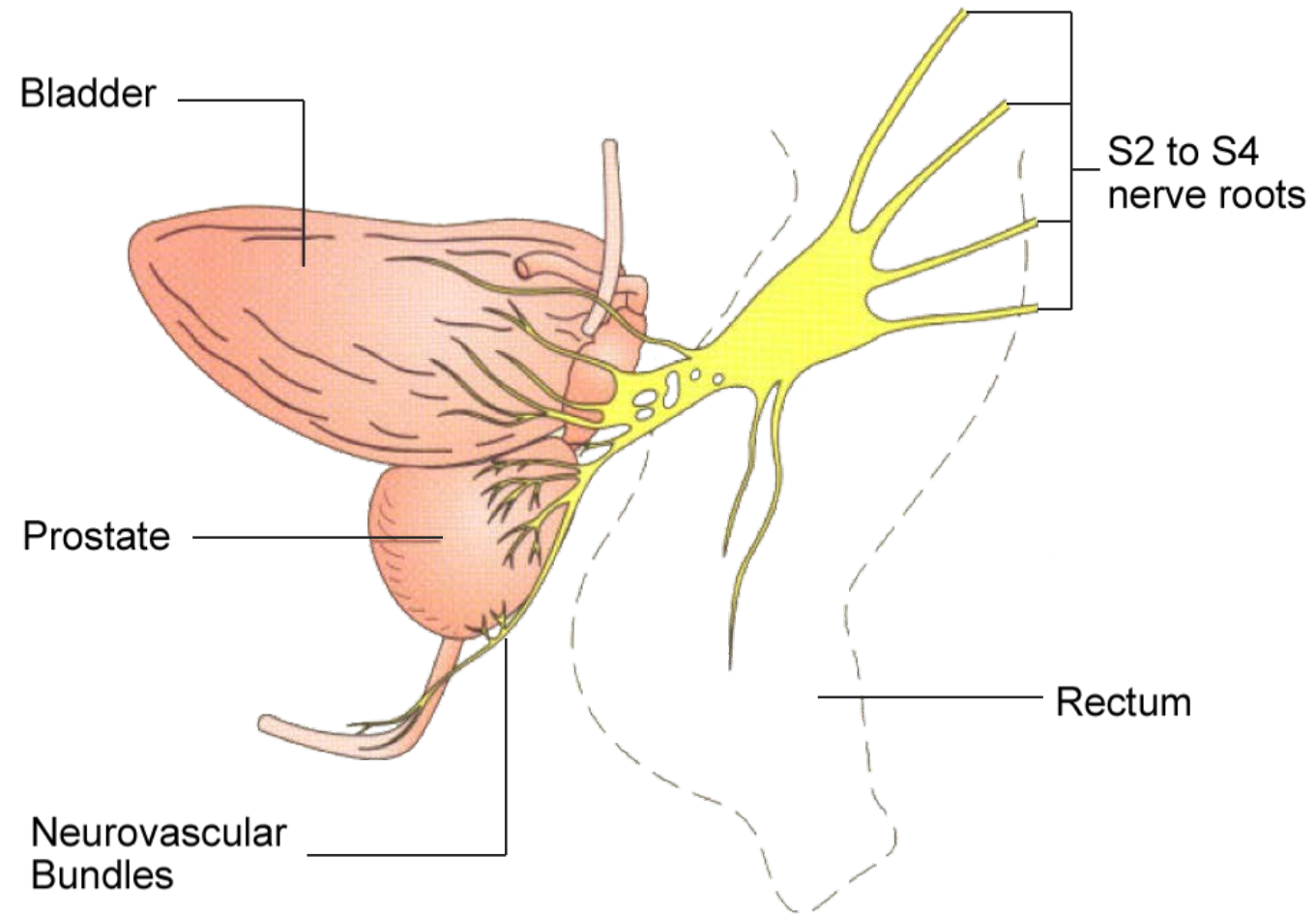
TULSA-PRO[®]

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


PROFOUND




Prostate Anatomy




Current Landscape of Prostate Disease in the U.S.




2.9 million patients currently living with prostate cancer on active surveillance*




10 million patients living with Benign Prostatic Hyperplasia (“BPH”)**




175,000 new prostate cancer patients diagnosed each year*



300,000 BPH surgeries per year**



Common treatment options associated with significant side effects such as incontinence and erectile dysfunction

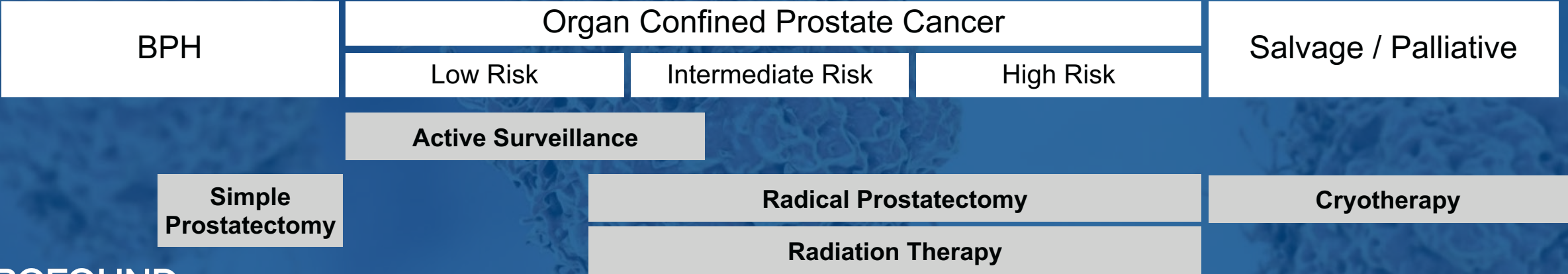


Radiation failure and palliative patients have limited re-treatment options

*American Cancer Society

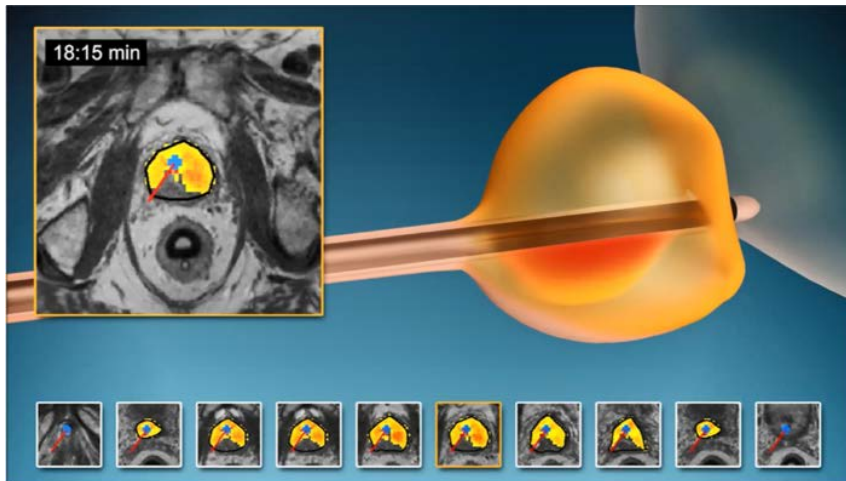
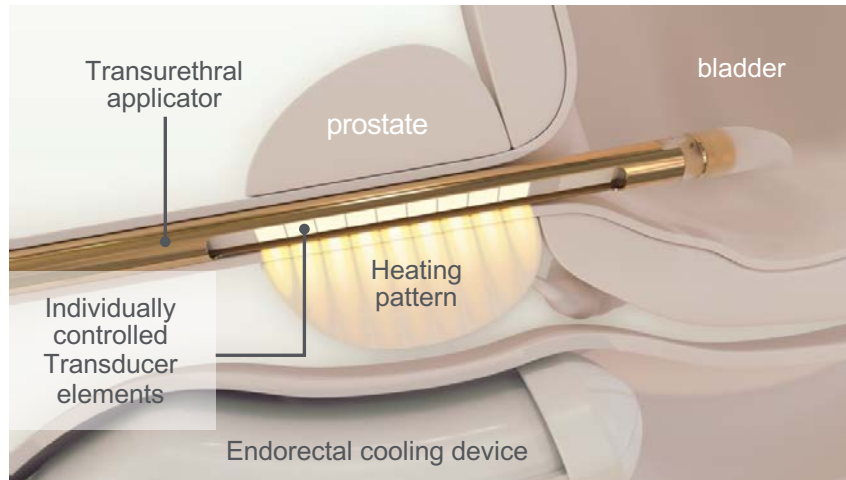
**Based upon CMS data

Todays Treatment Paradigm



TULSA-PRO

Customizable, Predictable, Incision-Free



1

Real-time MR imaging

- Customized treatment plan

2

Transurethral directional ultrasound for thermal ablation; water cooling of urethra and rectum

- Sweeping ultrasound, continuous rotation
- Capable of treating both large and small prostate volumes, anterior and posterior tissue
- Thermal protection of important anatomy

3

Closed-loop process control software

- Real-time temperature feedback provides for gentle and precise ablation

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:

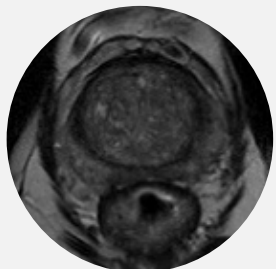
- PSA reduction $\geq 75\%$ achieved in **110 of 115 (96%)**
- Median (IQR) PSA reduction was **95% (91-98%)**
- Median (IQR) PSA nadir was **0.34 (0.12-0.56) ng/ml**

Prostate volume significantly reduced, demonstrating effective prostate ablation:

- Median perfused prostate volume decreased **91%**
 - from 37 cc to 3 cc
- Prostate ablation confirmed on Contrast Enhanced MRI

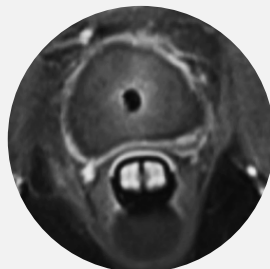
Prostate Volume Reduction

Screening
T2w MRI



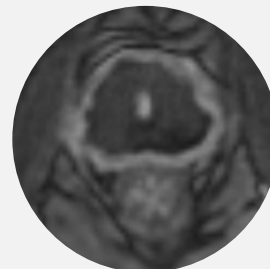
PSA 5.5 ng/ml
58 cc

Immediate Post
CE-MRI



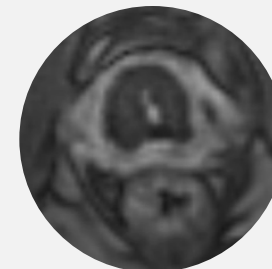
PSA 6.0 ng/ml

1-month Post
CE-MRI



PSA 0.3 ng/ml

3-months Post
CE-MRI



PSA < 0.1 ng/ml

12-months Post
CE-MRI



PSA < 0.1 ng/ml
0.5 cc

TACT Summary

Literature Review of Other Trials Provided for Context

	TACT Study	Literature Review		
	TULSA	Prostatectomy	Radiation	HIFU
Biopsy / Histology	21% Clinically Significant 14% Insignificant Disease (GG1, ≤2 cores, < 50% CCL) 65% Negative	16 – 24% +Margin ¹ (Meta-Analysis) 10 – 15% +Margin ² (RCT) 24% +Margin ³ (ProtecT)	28% Clinically Significant ⁴ 20% Insignificant Disease ⁴ (Positive w. treatment effect) 52% Negative ⁴	59 – 61% Negative ⁵⁻⁶ (Intent to treat) 63% Negative, after 40% having repeat HIFU and 39% ADT ⁷
Erectile Dysfunction erections insufficient for penetration	23% Grade 2 Medication Indicated No Grade 3 ED	79% ⁹ (Range: 25 – 100%) ¹⁻⁴	63% ⁹ (Range: 7 – 85%) ¹⁻⁵	58% ⁷ (Range: 44 – 67%) ⁶⁻⁸
Urinary Incontinence moderate to severe	2.6% Grade 2 Pads Indicated No Grade 3 Incontinence	15% ⁹ (Range: 0 – 50%) ¹⁻⁴	4% ⁹ (Range: 2 – 15%) ¹⁻⁵	3% ⁵ (Range: 3 – 22%) ⁶⁻⁸
Urethral Stricture moderate to severe	2.6%	9% ¹¹ (Range: 3 – 26%) ¹⁻⁴	2% ¹¹ (Range: 1 – 9%) ¹⁻⁵	35% ⁵ (Range: 9 – 35%) ⁶⁻⁸
GI Toxicity moderate to severe diarrhea, urgency, incontinence, fistula	No GI Toxicity	15% ⁹ (Range: 0 – 24%) ¹⁻⁴	25% ^{9, 12} (Range: 0 – 40%) ¹⁻⁵	7% ⁵ (Range: 1 – 21%) ⁶⁻⁸

1. Tewari et al 2012 (Meta-Analysis)

2. Yaxley et al 2016 (RCT)

3. Hamdy et al 2016 (ProtecT)

4. Radiation Meta-Analysis (publication pending)

5. FDA IDE Study K153023

6. FDA IDE Study DEN150011

7. Crouzet et al, Eur Urol 2014 (1000+ patients, Whole-gland HIFU)

8. Thompson (Chair) et al, AUA prostate cancer clinical guideline update panel, J Urol 2007

9. Resnick et al, Prostate Cancer Outcomes Study (PCOS), NEJM 2013

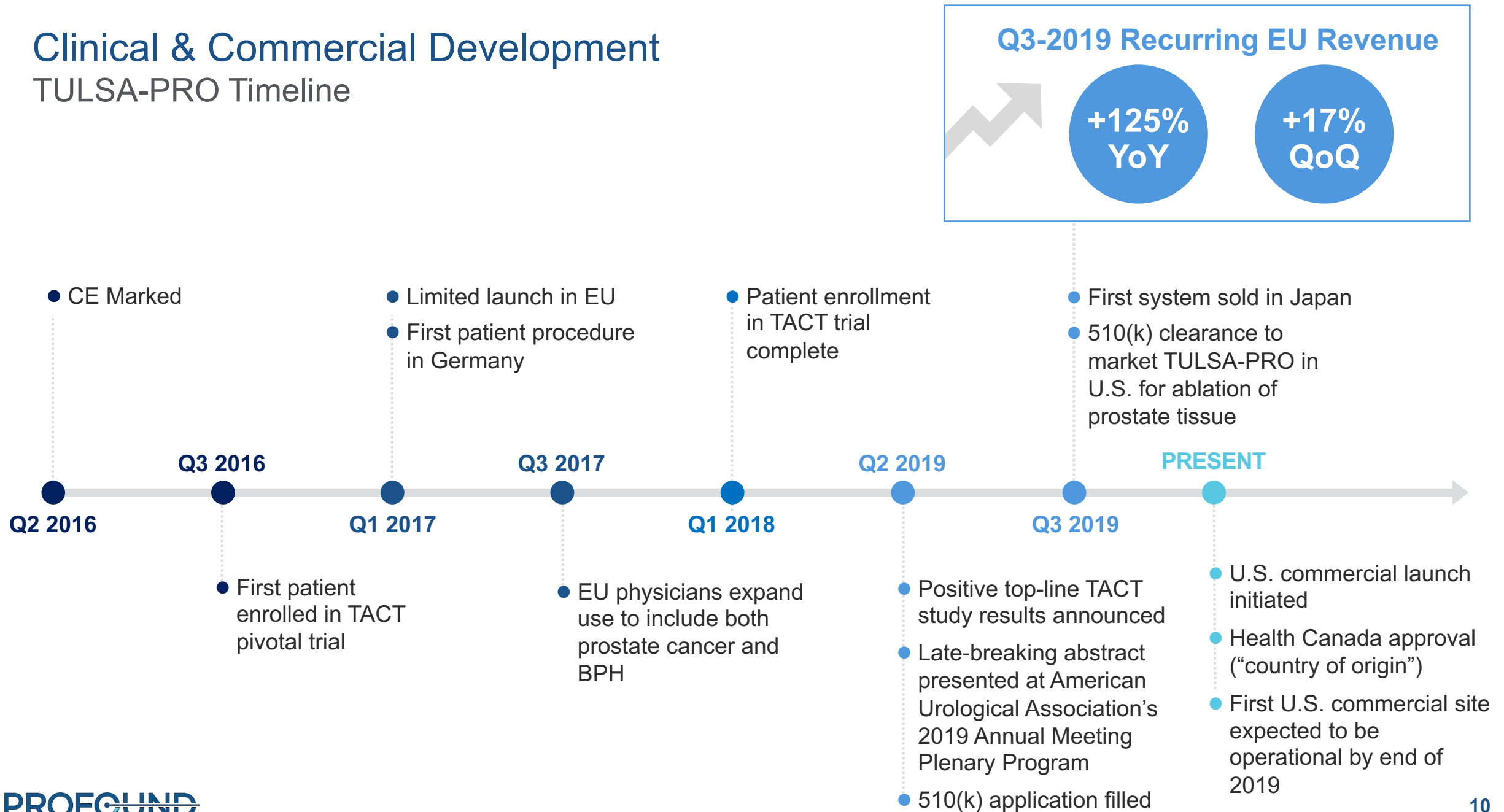
10. Potosky et al, Prostate Cancer Outcomes Study (PCOS), J NCI 2004

11. Elliott et al, CaPSURE database, J Urol 2007

12. Budaus et al, Review, Eur Urol 20012

Clinical & Commercial Development

TULSA-PRO Timeline



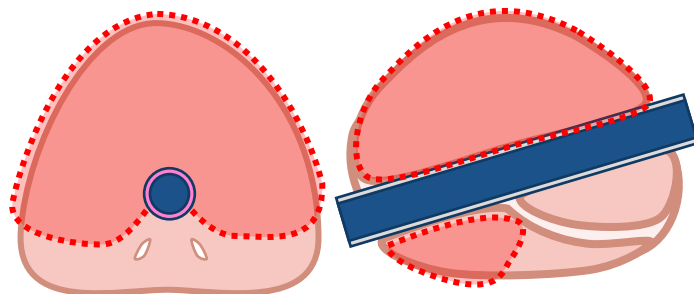
Clinical Application

Learnings From Limited EU Launch

Benign	Organ Confined Prostate Cancer			Salvage / Palliative
	Low Risk	Intermediate Risk	High Risk	

Large prostate BPH ¹

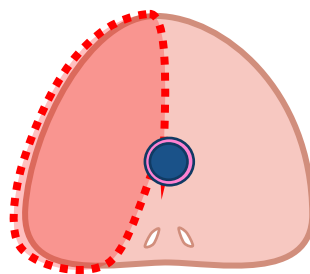
- Preservation of ejaculatory function
- Combined with targeted cancer ablation
- Prophylactic ablation of suspicious MRI lesion



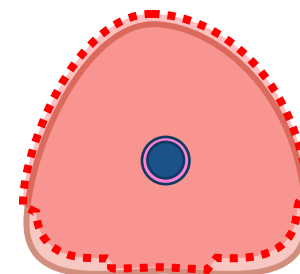
Ablation of benign prostate tissue

Customized ablation ²⁻⁷

- Targeted ablation (focal, or regional)
- Large ablation (wide margins)
- Whole gland ablation (with urethral sparing)



Targeted ablation of diseased prostate tissue



Whole gland ablation with bilateral nerve sparing

Recurrence after radiation ⁸

- Localized recurrences have limited options, and morbidity is high

Palliative locally advanced ⁹

- Severe urinary symptoms including BOO with retention and/or intractable hematuria

Oligometastatic ¹⁰

- Benefit to locally treat prostate
- Often radio-recurrent

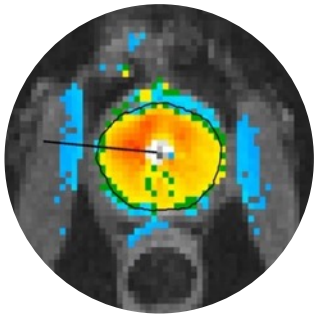
1. Elterman *et al*, Prostate Cancer and Prostate Diseases, 2019 (Under Review)
 2. Ramsey *et al*, The Journal of Urology, 2017
 3. Chin *et al*, European Urology, 2016
 4. Bonekamp *et al*, European Radiology, 2018
 5. Eggen *et al*, The Journal of Urology, 2019 (AUA Abstract)

6. Anttinen *et al*, International Journal of Hyperthermia, 2019
 7. Anttinen *et al*, Scandinavian Journal of Urology, 2019 (Under Review)
 8. Suomi *et al*, ISTU Barcelona, Spain, 2019 (Conference)
 9. Sainio *et al*, ISTU Barcelona, Spain, 2019 (Conference)
 10. Physician interest

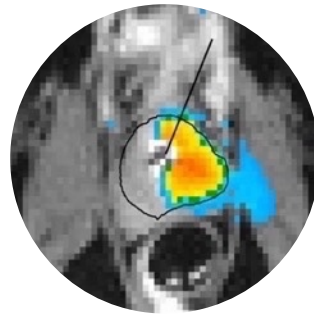
TULSA-PRO

Unique Flexibility

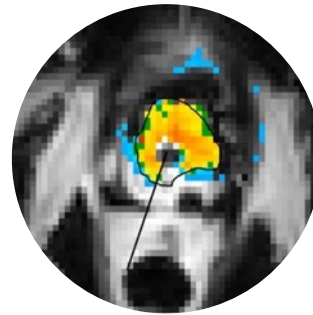
Whole Gland Ablation



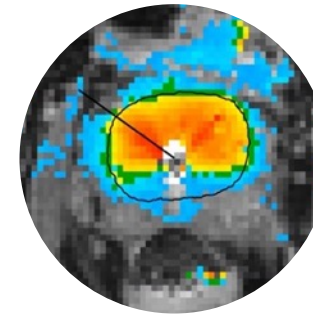
Targeted Ablation



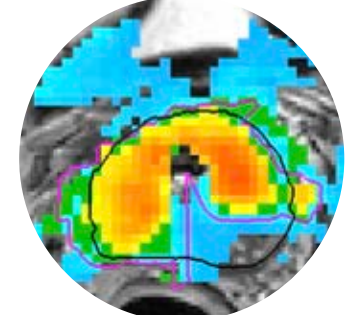
Post Radiation Failure Ablative Therapy



Targeted Ablation
of a benign large prostate



Targeted Ablation
of a benign large prostate with malignant lesion

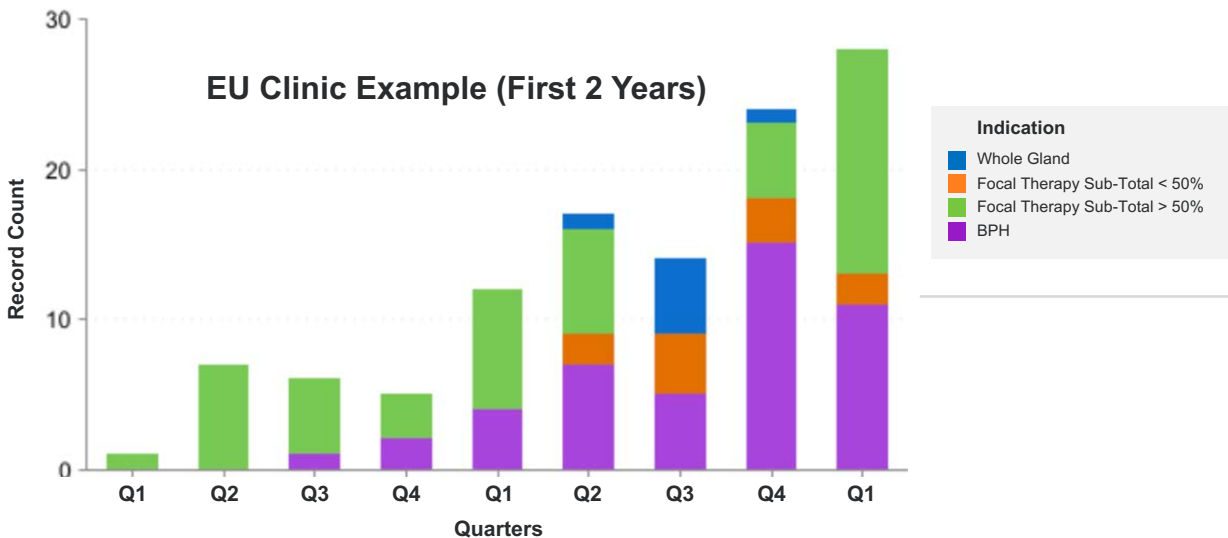


Clinical Application & Adoption

Learnings From Limited EU Launch



	Prostatectomy	Radiation	TULSA
Throughput: Procedures/Day	<ul style="list-style-type: none"> 2 typically 3 on a longer day 	<ul style="list-style-type: none"> Multiple sessions: 5-to-40 over 4-to-8 weeks 	<ul style="list-style-type: none"> 4 in a routine day Consistent treatment times
Patient Recovery	<ul style="list-style-type: none"> Weeks 	<ul style="list-style-type: none"> Deterioration over time 	<ul style="list-style-type: none"> Outpatient procedure for most patients Generic analgesic needed for pain management after procedure



1. Initiated Q1-2017
2. Discovered potential to treat BPH patients, Q3
3. Streamlined procedure time
4. Increased utilization rate

TULSA-PRO

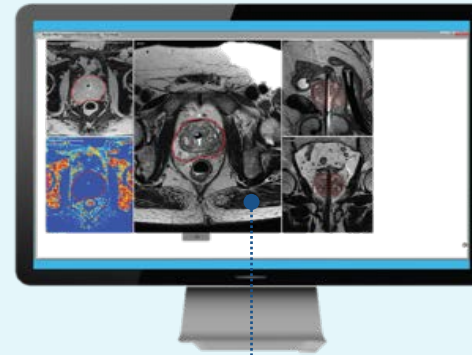
System Components



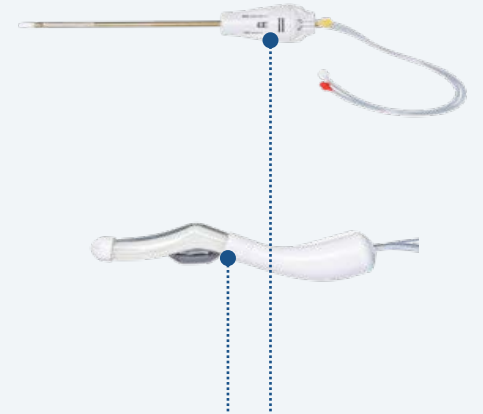
**Robotic Arm,
Computer Hardware**



**Energy
System**



**Surgeon Console
Control Room**



**Disposable
Applicators**

Capital Equipment

One-Time Consumables

Compatible with MR from leading companies, Philips and Siemens

U.S. Market Entrance Strategy

TULSA-PRO



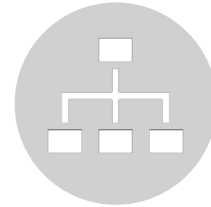
Increase Awareness

- TACT clinical data presented at >10 conferences (AUA, EAU, RSNA)
- TULSA-PRO and TACT clinical data presented to multiple institutions
- Low-cost / high-impact patient awareness initiatives



Early Adopter Pipeline

- Already visited about 75 potential users
- Includes top teaching hospitals, companies owning imaging centers with large footprint, and specialty urology practices



Potential Delivery Channels

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



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

Building Our Brand

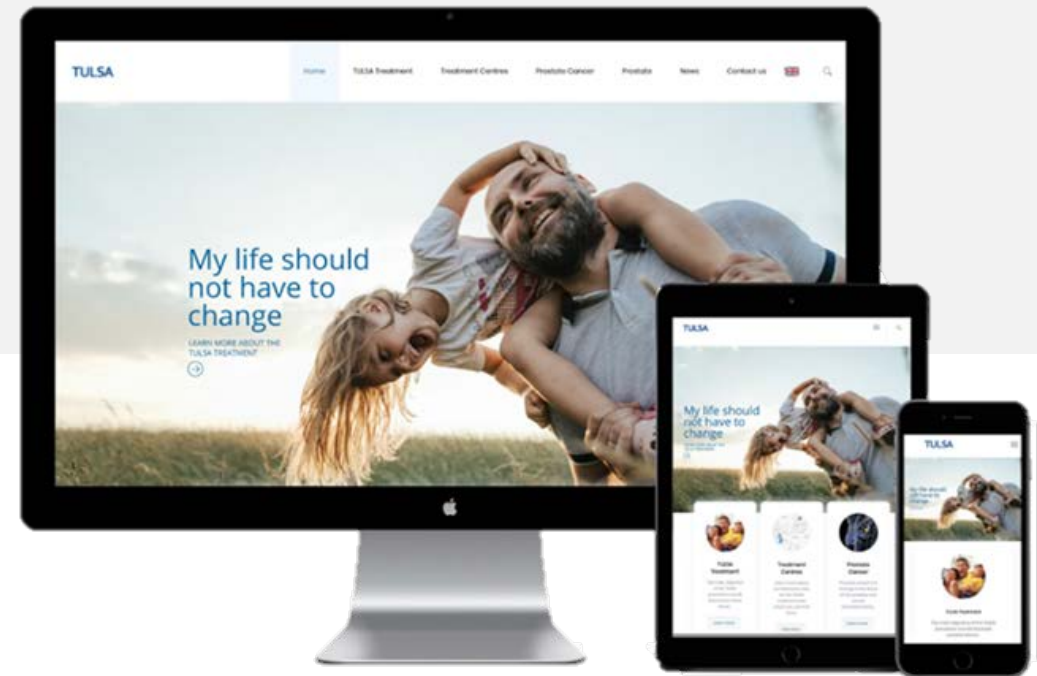
Low-Cost / High-Impact Patient Awareness Initiatives

Customer Branded Patient Marketing

- TULSA Patient Marketing
- TULSA Digital Marketing

Profound Branded Patient Marketing

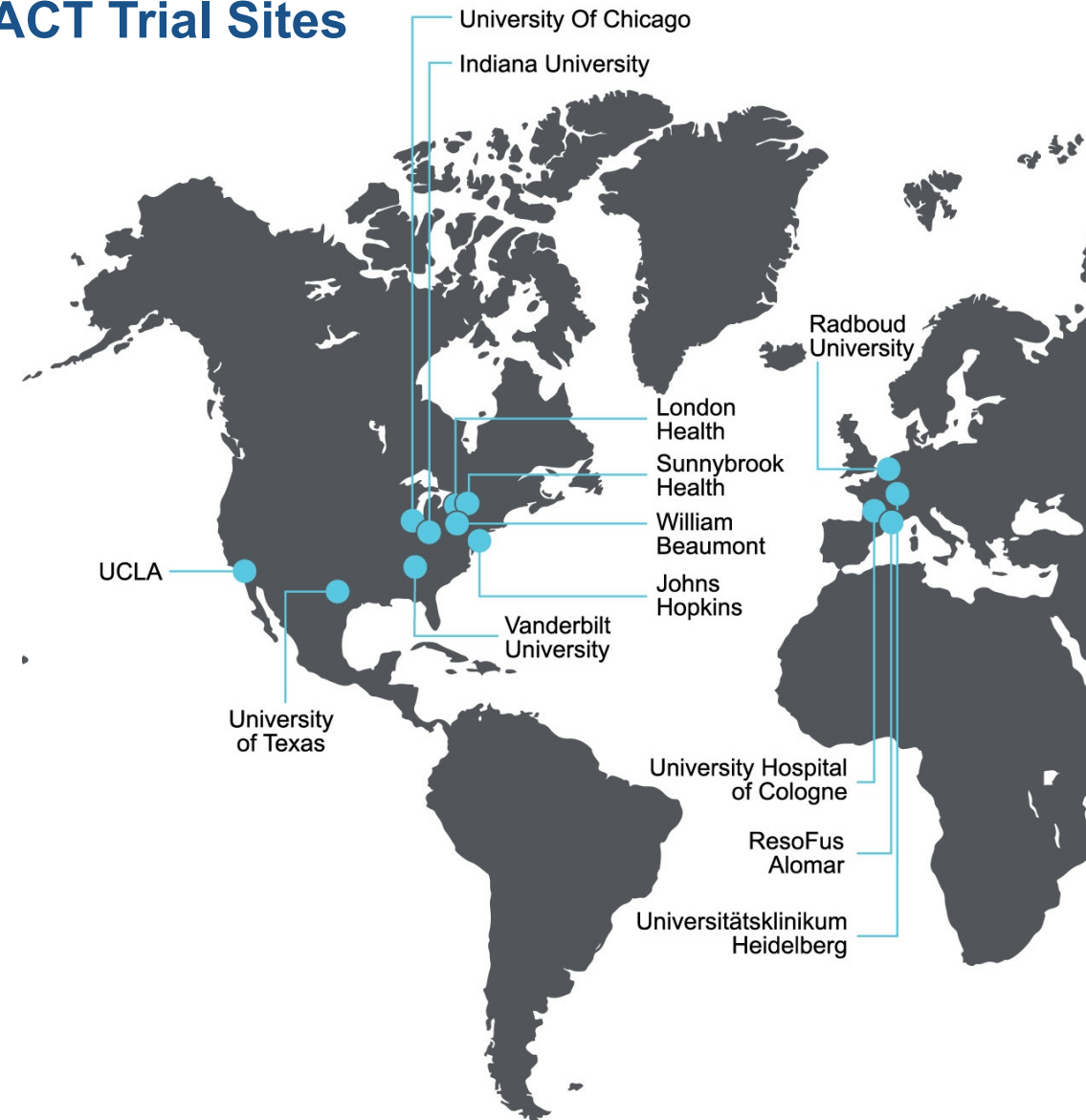
- TULSA Patient Website
- Corporate Website Enhancements
- Video Patient & Physician Testimonials



Centers of Excellence

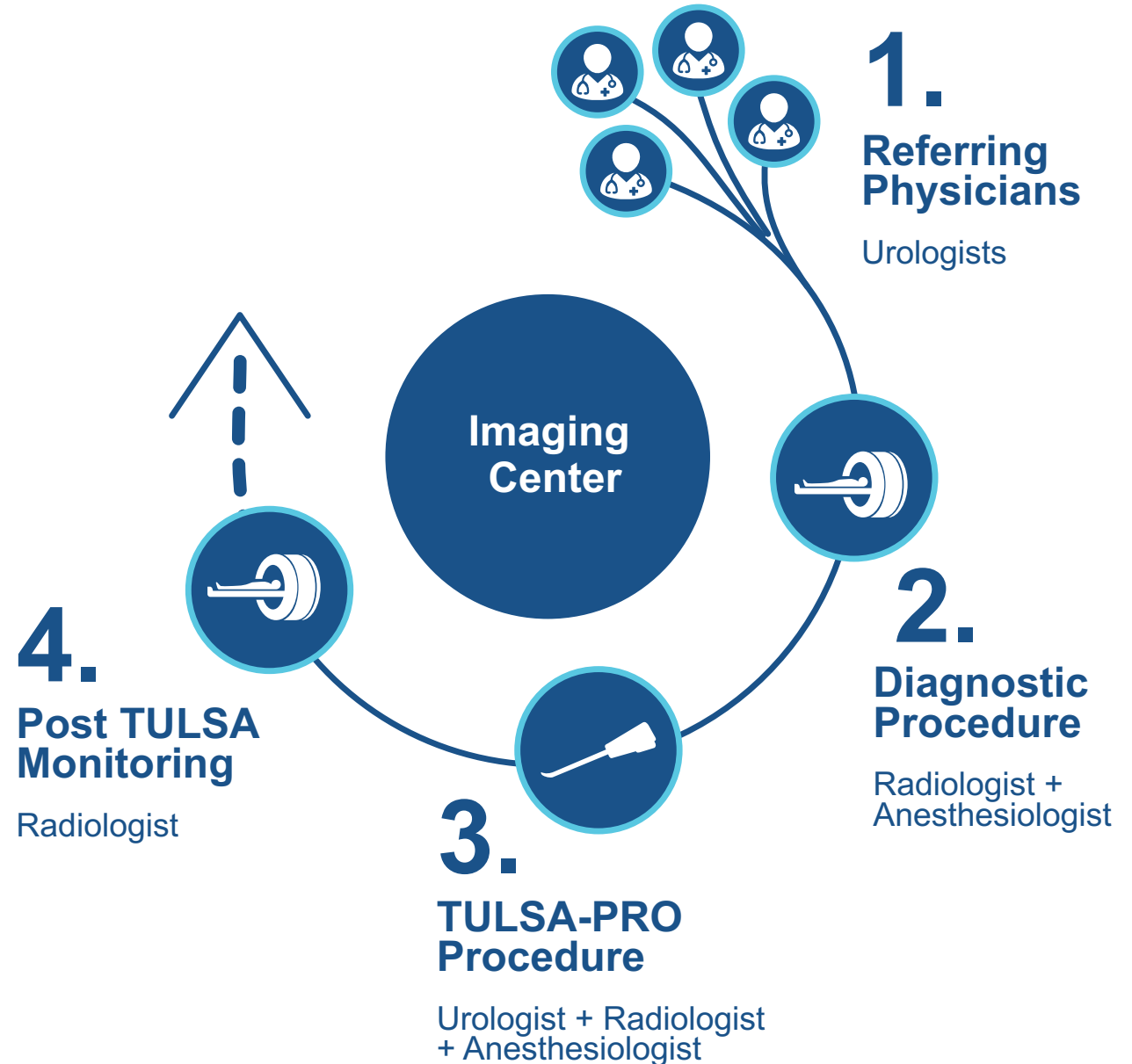
- Includes many of the TACT study sites
- Will likely be relatively low volume while TULSA is a patient self-pay procedure
- Best positioned to help drive long-term adoption by:
 - Participate in additional trials designed to support reimbursement
 - Training next generation of urologists
 - Presenting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

TACT Trial Sites



Commercial Imaging Centers

- 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



TULSA-PRO: Pre-Reimbursement “Patient Paid”

Significant Market Opportunity, Even With Low Single-Digit Initial Penetration Levels

New Prostate Cancer Diagnosis (U.S. + Canada)	180,000 ¹
BPH, Prostates, surgical candidates, Unusual shapes (U.S. + Canada)	400,000 ²
Total Opportunity, # of patients	580,000
Total Addressable Market, assuming patient paid is 5% of total opportunity	29,000 ³
Add selected International markets (UK, Germany, Japan)	14,500 ³
Total patient pay addressable market # of patients	43,500 ³
Addressable market, \$6,000 per patient (includes: disposable + amortized capital + service)	\$261,000,000 ³
Achievable share in X years, 25% (<11,000 patients per year) TULSA Installed base = 110 at treatment rate 100 patients/year	\$65,250,000 ^{3*}

* Represents approximately just 1% of total current annual prostate surgery and/or radiation treatment market

1. Prostate cancer: 175,000 new prostate cancer diagnosed each year in US according to American Cancer Society
2. BPH: 300,000 surgeries based upon CMS data, + 1% of 10 Million BHP patients in United States + Canada
3. Figures are not profound projections. Rather, they are being provided for illustration purposes only.

Reimbursement “C-Code”

- Applying for a new technology “C-Code” before end of 2019
- Typically takes 6 months to obtain a decision from CMS
- If approved, would provide for a 3-year period of reimbursement for facility costs
 - Patients would likely pay about \$2,000-\$4,000 out of their own pockets



Reimbursement “CPT Code”

Publication Package

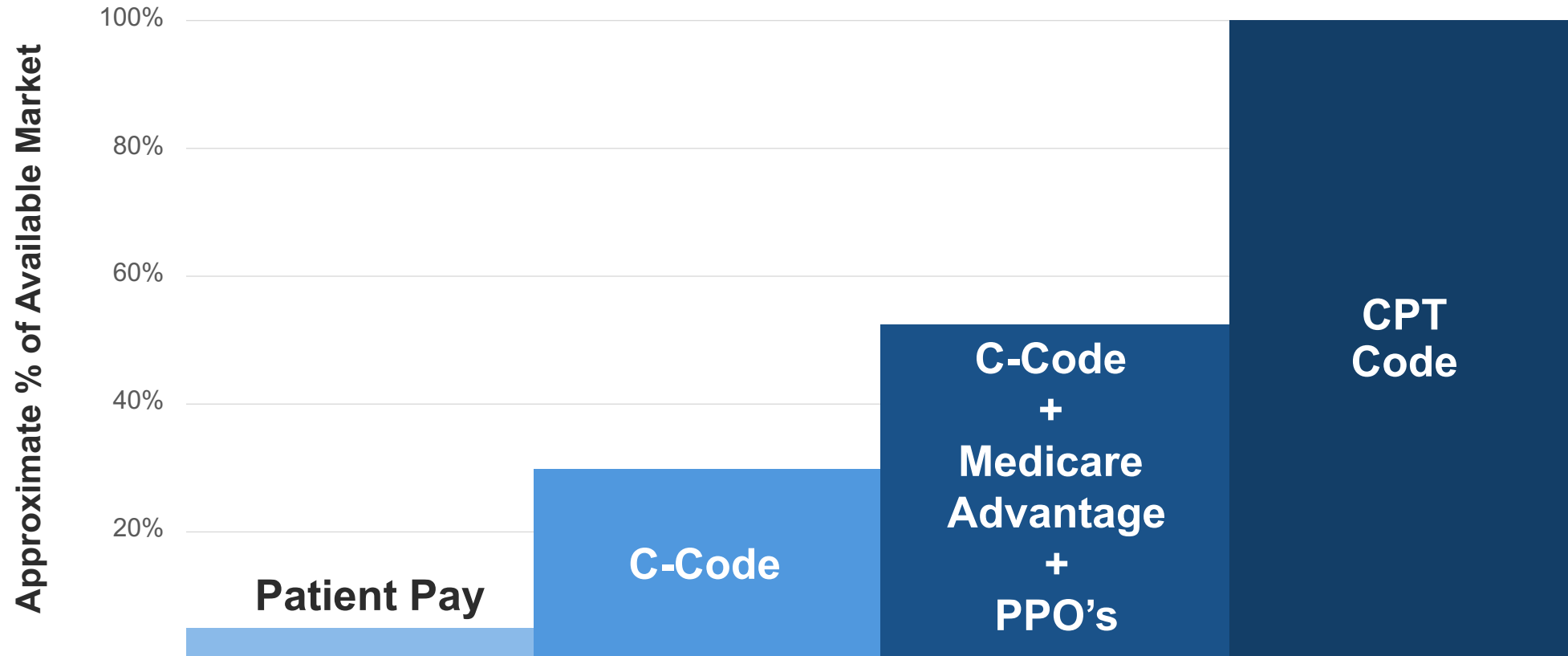
		Rationale	Level	N	US %	Start
1.	TACT 2.0 5-year	<ul style="list-style-type: none"> TULSA U.S. momentum at key teaching sites Increase US patient % Re-treat TACT 1.0 patients 	2b	115 (+35=150)	48% (60%)	Started
2.	BPH RCT 6-month	<ul style="list-style-type: none"> Anchor study for Level 1 data 	1b	144 in 2:1 96 TULSA	~100%	2020
3.	Salvage 1-year	<ul style="list-style-type: none"> Strong clinical value and entry into guidelines Need to sponsor or too slow with patient pay 	2b	68	~100%	2020
4.	Primary Cancer Meta-Analysis (Phase I, EU, Registry)	<ul style="list-style-type: none"> % Ablation vs. Outcomes 	2a			
5.	Single/Small-center Cancer RCT TULSA vs. Radiation (Turku, UWO, U.S.?)	<ul style="list-style-type: none"> Small RCT, 50+ pts, good chance to randomize Level 1 data in cancer, even if not traditional Offloads sponsor requirements from Profound 	1b	50 minimum	0% (more)	2020

AMA Requirements for Category I CPT Code

- FDA-cleared
- Performed widely by many physicians across U.S. (warrants new CPT code)
- Frequency consistent with intended clinical use consistent with current medical practice (mentioned in guidelines/policies)
- Clinical efficacy (documented in “top 5” peer-reviewed publications, judged by CPT Panel)
 - 1+ reference in a majority US patient population
 - 2+ references with no overlapping patients or authors
 - 1+ reference with Level of Evidence IIa (review of large long-term cohort studies) or Level I (randomized controlled trials)

Reimbursement Pathway Summary

From “Cleared” to “Covered”



Longer Term

Building an Incision- & Radiation-Free Ablative Therapeutic Platform

Oncology, Highly Symptomatic
Chronic Diseases



SONALLEVE



Current Approvals

Europe: CE Marked

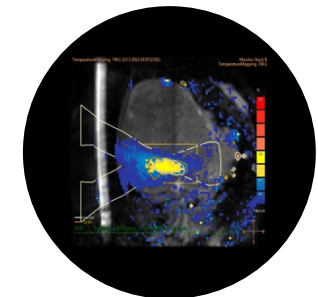
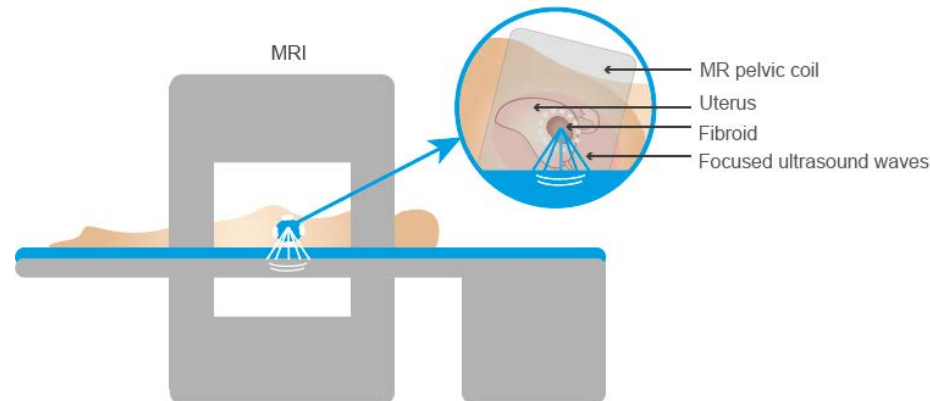
China: CNMPA Approved



Over 200 publications

from leading U.S. & European clinicians and hospitals

- Uterine Fibroid Treatment
- Bone Metastasis Pain
- Pediatric Bone
- Hyperthermia
- Abdominal Cancer



SONALLEVE

Market Development Strategy



U.S. & Western Markets

Partnered with Cologne University Hospital to develop critical clinical data for cancer and highly symptomatic chronic diseases

Enter U.S. market with Humanitarian Device Exemption indication (similar to orphan drug indication for rare diseases)

- Application filed with FDA
- FDA manufacturing site inspection completed successfully

Long term business model – recurring revenue



China

Philips as distribution partner

- Small Profound direct sales team

Marketing for treatment of uterine fibroids

Reference site in S. Korea, treating 200 patients/year

Potential applications include:

- | | |
|----------------------|---------------------|
| 1. Pain management | 4. Hyperthermia |
| 2. Osteoid Osteoma | 5. Neuro-modulation |
| 3. Pancreatic cancer | |

In Summary

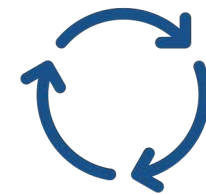


Introducing TULSA-PRO to U.S. Market



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

PROFOUND