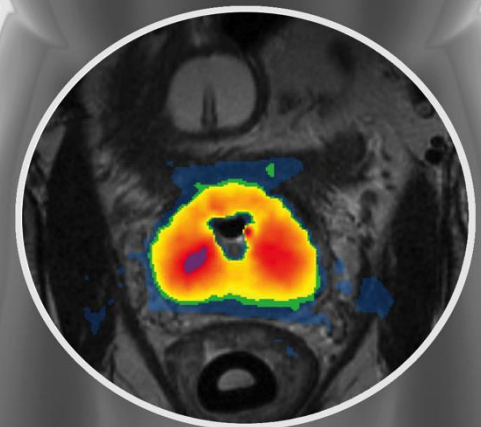


PROFOUND MEDICAL

Incision-free Ablation of Diseased Tissue

May 2017



Forward-Looking Statements

This presentation and oral statements made during this meeting regarding Profound and its business which may include, but are not limited to, the expectations regarding the efficacy of Profound's technology in the treatment of prostate cancer. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Such statements are based on the current expectations of the management of each entity. The forward-looking events and circumstances discussed in this presentation may not occur by certain specified dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting the company, including risks regarding the pharmaceutical industry, economic factors, the equity markets generally and risks associated with growth and competition.

Although Profound has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward-looking statement can be guaranteed. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Profound undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, other than as required by law.

Abnormal Tissue Treatment Today

Cancer or Fibroid – Malignant or Benign Tumor(s)

MOST COMMON TREATMENT OPTIONS TODAY



Surgery



Radiation Therapy



Chemotherapy

Invasive

Recovery
Time

Treatment
Side Effects

Multiple
Session

Skill
Dependent

Post
Treatment
Complication

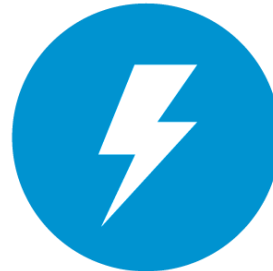
Cost of
Treatment

UNMET NEED

Incision-free Treatment with Real Time MR Imaging



**Real-Time
MR Guidance**



Energy Source

PLATFORM

Delivering
Customized
Precise
Ablation
Therapy
for
Specific
Organs



**MRI
Guided
Targeting**

**MRI Based Rx
Confirmation**

**Precise
Energy
Delivery**

**No
Incisions**

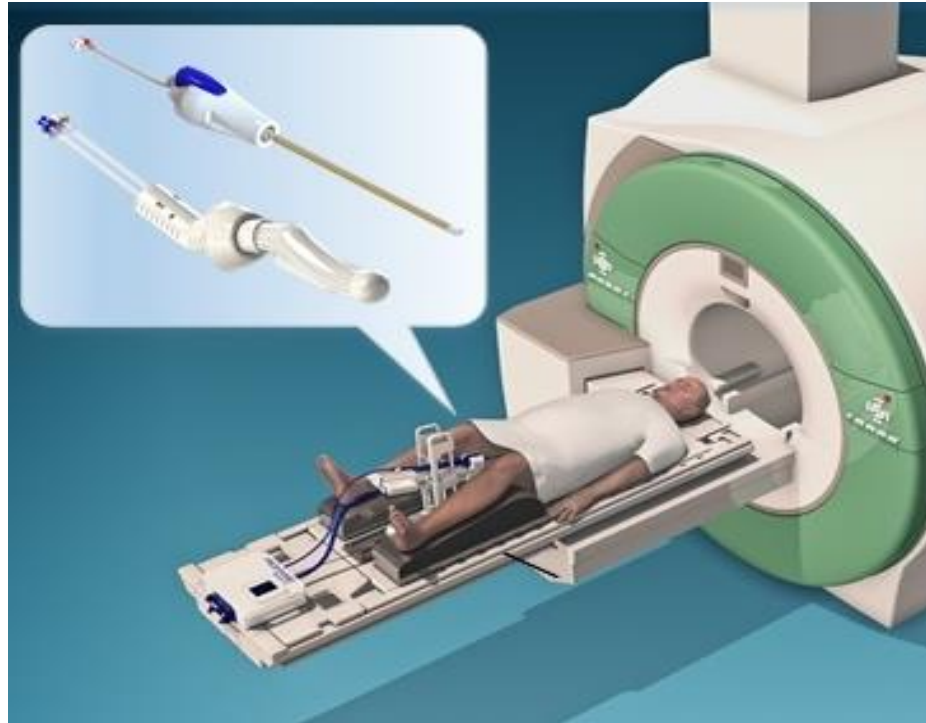
**Reduced
Rx Side
Effects**

**Short
Recovery
Time**

CONTROL ROOM



SCAN ROOM

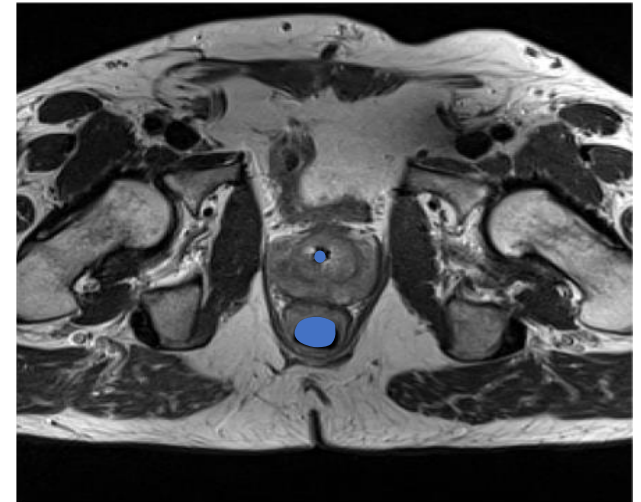
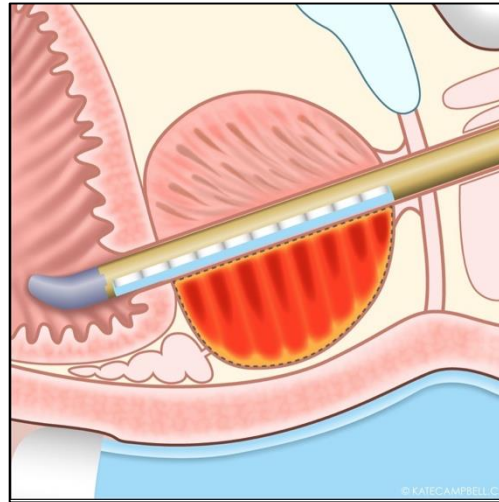
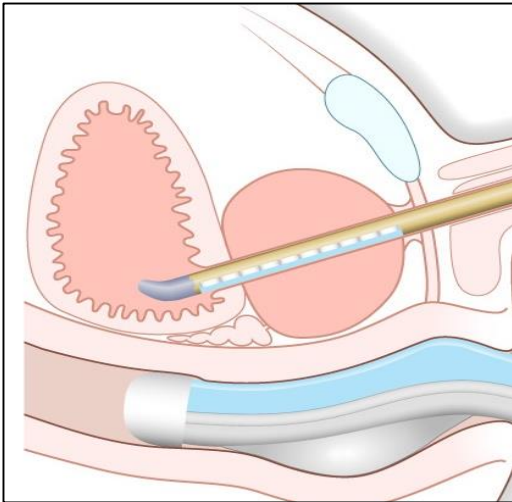


- Designed for prostate
- Ablation through natural orifice
- Robotic arm
- Intelligent software

Safe
Precise
Personalized
Fast

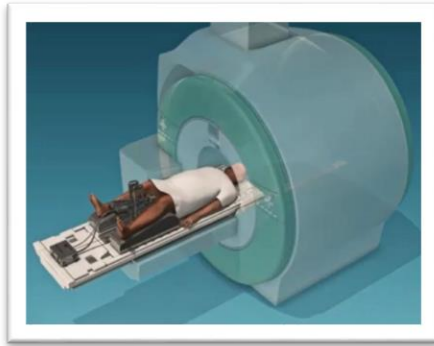
TULSA Technology – Inherently Designed to Minimize Side Effects

- Actively protects critical anatomy via cooling
- Precise to millimeter accuracy – real-time MR Imaging and temperature guidance & control, robotic arm and intelligent software
- Minimizes damage to rectum, urethra and nerves – inside out ablation



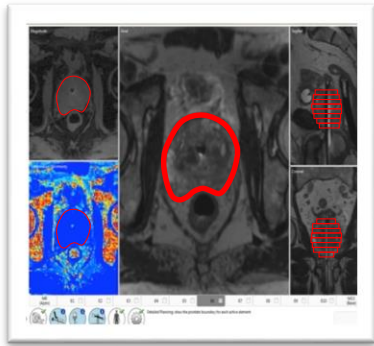
TULSA-PRO® – Precise & Personalized Ablation of Prostate

1



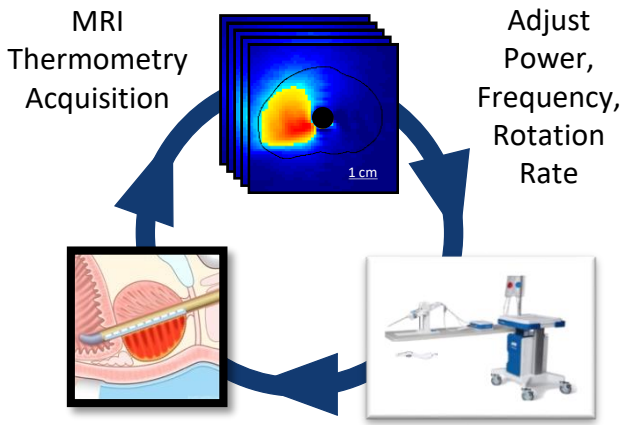
MRI Guided Device Positioning

2



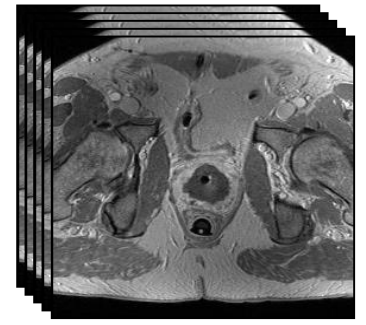
Precise Treatment Planning by Urologist

3



Automated Temperature Feedback Controlled, Robotically driven
(Controlled Algorithm Target Temp 57° Celsius; Ablation in 40 minutes)

4



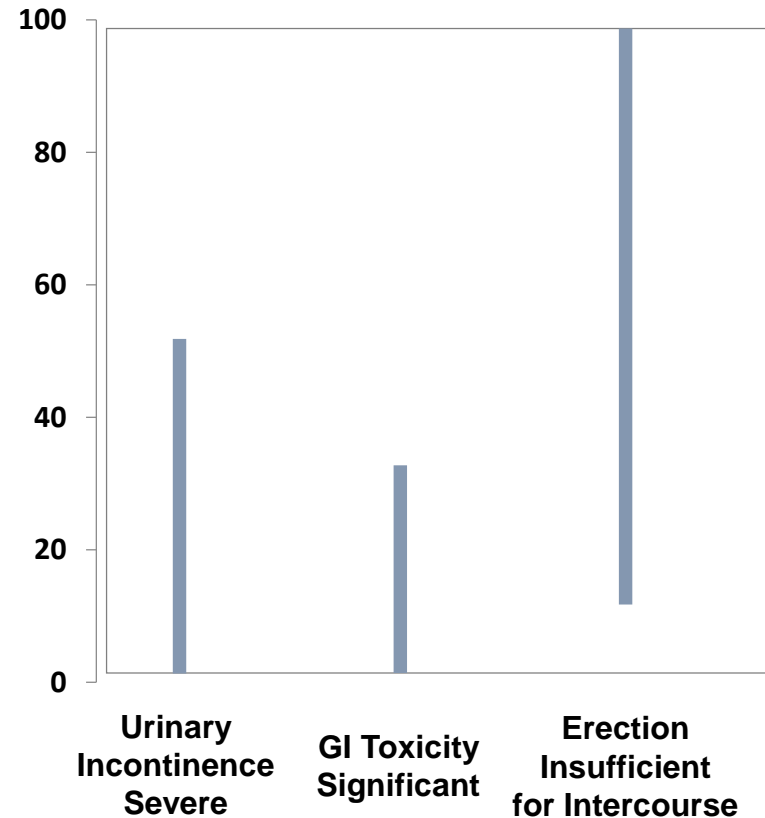
Confirmation of Ablation Margin with MRI

Solving a Well Known Problem – Side Effects From Today’s Therapies

Functional Outcomes at 2 years¹

	PROSTATECTOMY	RADIOTHERAPY
URINARY INCONTINENCE	No control or frequent urinary leakage	
	10%	3%
	Bothered by dripping or leaking urine	
	11%	2%
BOWEL FUNCTION	Bowel urgency	
	14%	34%
	Bothered by frequent bowel movements, pain, or urgency	
	3%	8%
SEXUAL FUNCTION	Erection insufficient for intercourse	
	79%	61%
	Bothered by sexual dysfunction	
	56%	48%

Rate of complications reported with radical prostatectomy & radiotherapy^{2,3} (Variation as reported in 436 publications)

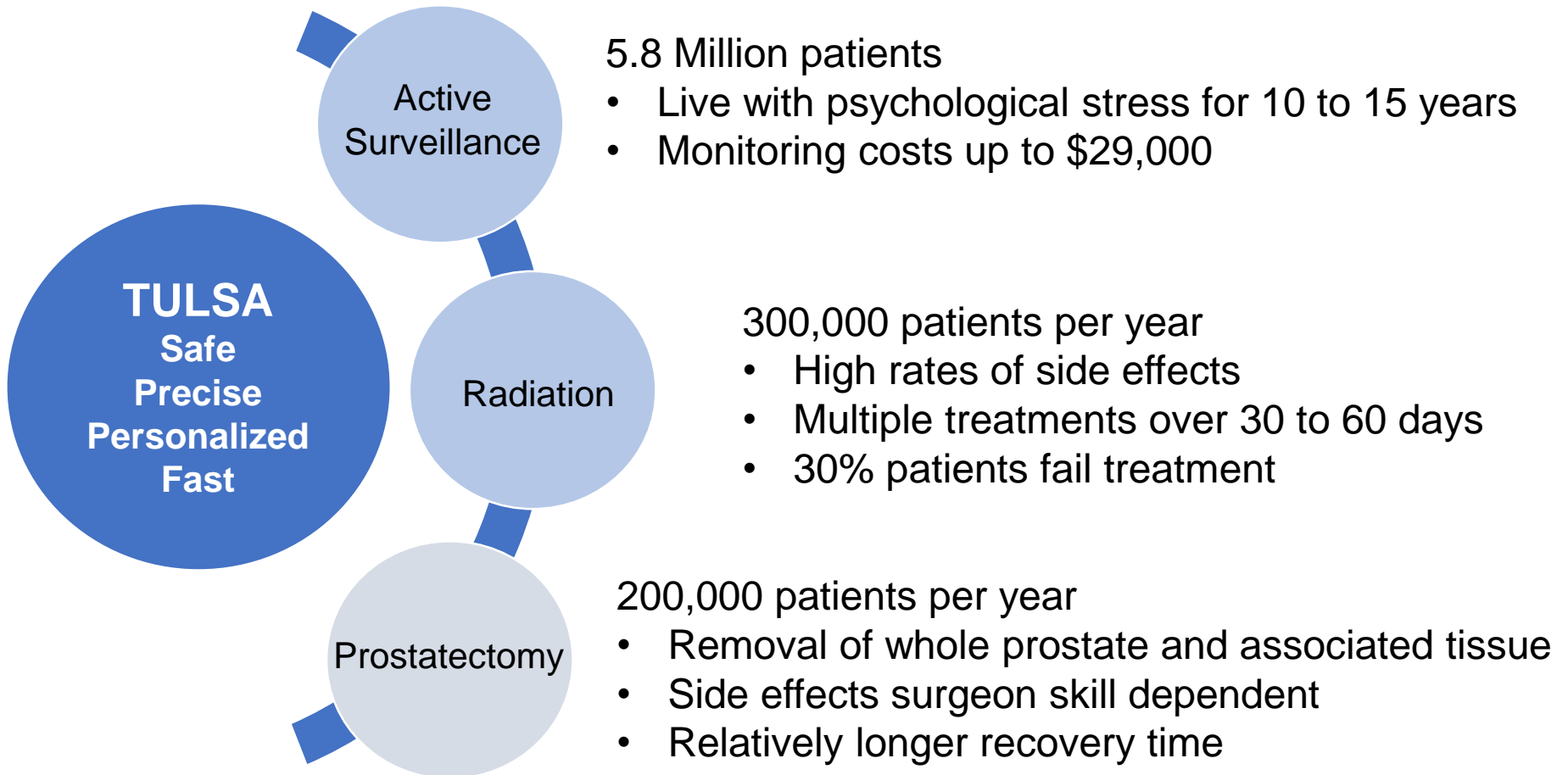


1. Resnick *et al.* Long-Term Functional Outcomes after Treatment for Localized Prostate Cancer; New England Journal of Medicine, 2013 (Jan): 368:436-445

2. Thompson (Chair) *et al* AUA prostate cancer clinical guideline update panel, “Guideline for the management of clinically localized prostate cancer: 2007 update,” The Journal of Urology, 177: 2106-2331 (2007)

3. PMI 12-month Phase 1 Trial, GCP-10102 Table 10

Opportunity In USA + Europe



Less frequent treatments: HIFU, Cryotherapy, Brachytherapy, Hormone Therapy, Laser

Business Model



Robotic Arm



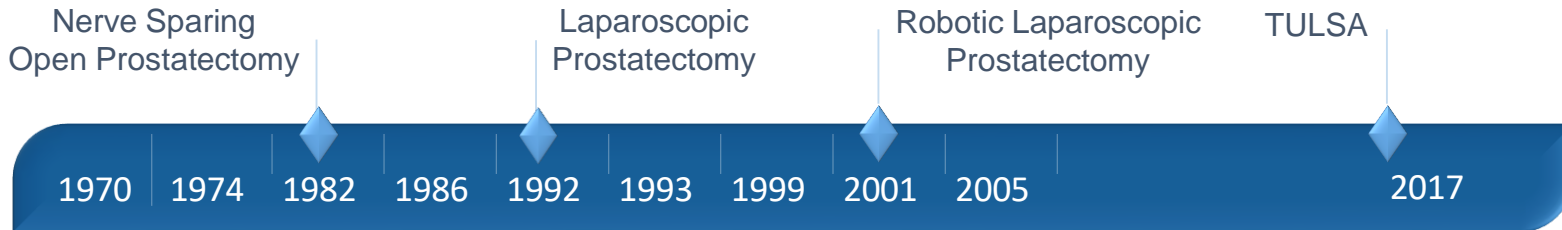
Energy System



Disposable Applicators

- Computer and robotic system sold with MR partners Siemens & Philips
 - \$250,000 to \$300,000 per system
- Disposable applicators sold directly by Profound
 - \$2,000 to \$2,500 per patient

Technology Adoption – Treatment Of Prostate Disease



- Intraoperative and Post-operative complications
- Lengthy recovery time
- Skill Dependent

- Minimally invasive
- Skill Dependent
- Steep learning curve

- Surgeon at console
- Minimally invasive
- Skill Dependent
- Steep learning curve

- Surgeon at computer console
- OR to MR
- No incision
- Day procedure
- Accurate, Precise, Repeatable

Status of Business Development

- CE Mark – 2016
- Pilot sales launched in Europe – Q1-2017
- First revenue quarter – Q1-2017
- FDA registered clinical trial initiated – Q4-2016
 - 10 Sites – US, Canada, Europe
 - N=110
 - 25% patients recruited
 - Expected completion Q4-2017
 - Expected filing for 510(k) – Q4-2018
- US launch H1-2019

Safety & Precision Clinical Trial: Completed

OBJECTIVE	Determine safety and feasibility of MRI-TULSA for whole-gland prostate ablation in a primary treatment setting of localized prostate cancer
SUBJECTS	30 Patients (Inclusion criteria: Men \geq 65 yr, organ confined PCa, PSA \leq 10 ng/ml, Gleason score 3+3 or 3+4)
OUTCOMES	<ul style="list-style-type: none">• 30 patients treated with at least 12 month follow-up• No intraoperative complications, no rectal injury or fistula• Erectile dysfunction rate of 8% (IIEF item 2 \geq 2)• At 12 months, only 1 patient (3%) with Grade 1 urinary incontinence (no pads)• Functional quality-of-life outcomes back to baseline levels• Accuracy of thermal ablation +/- 1.3 mm

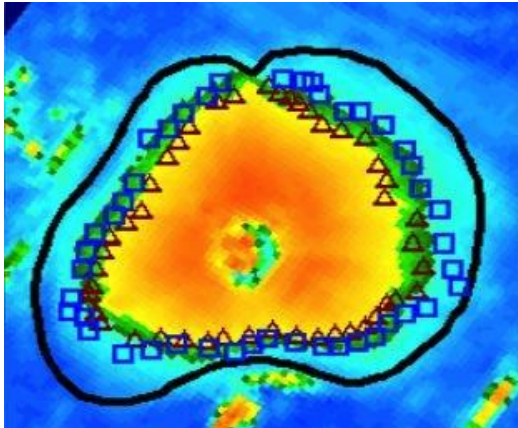
Trial design required leaving 3mm outer prostate tissue intact
– 70 % patients free of clinically significant cancer

TACT Pivotal Trial: 25% Recruited

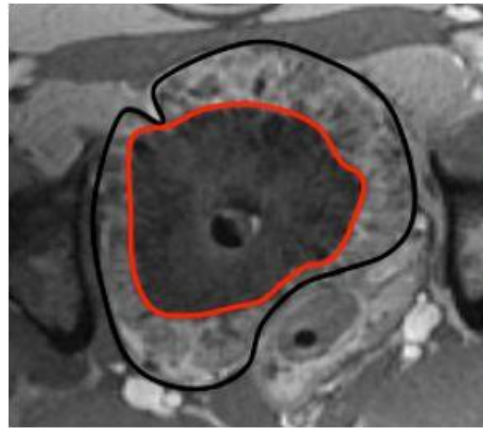
OBJECTIVE	Further evaluate safety and efficacy of TULSA-PRO™ intended to ablate prostate tissue of patients with localized, organ-confined prostate cancer
SUBJECTS	110 Patients (Inclusion criteria: Males, age 45-80 yrs, organ confined PCa, PSA ≤ 15 ng/ml, Gleason score ≤ 3+4)
SITES	10 Sites
OUTCOMES	<p>Primary Endpoints</p> <ul style="list-style-type: none">• Safety• Efficacy <p>Secondary Endpoints</p> <ul style="list-style-type: none">• Frequency and Severity of Adverse Events• Rate of Erectile Dysfunction• Rate of Urinary Incontinence• PSA Levels and Stability• Procedure Efficiency• Resource Requirements for Reimbursement Purposes

Precision of TULSA Has Been Validated

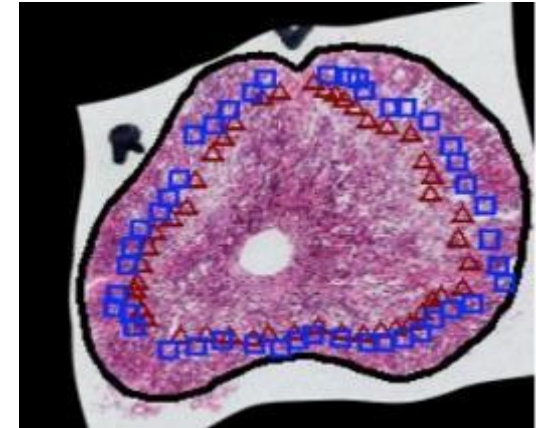
TULSA ablation is accurate to 1.3 mm, confirmed by contrast-enhanced MRI and histology in animal and human studies



Thermal MRI
measurement
from TULSA
procedure

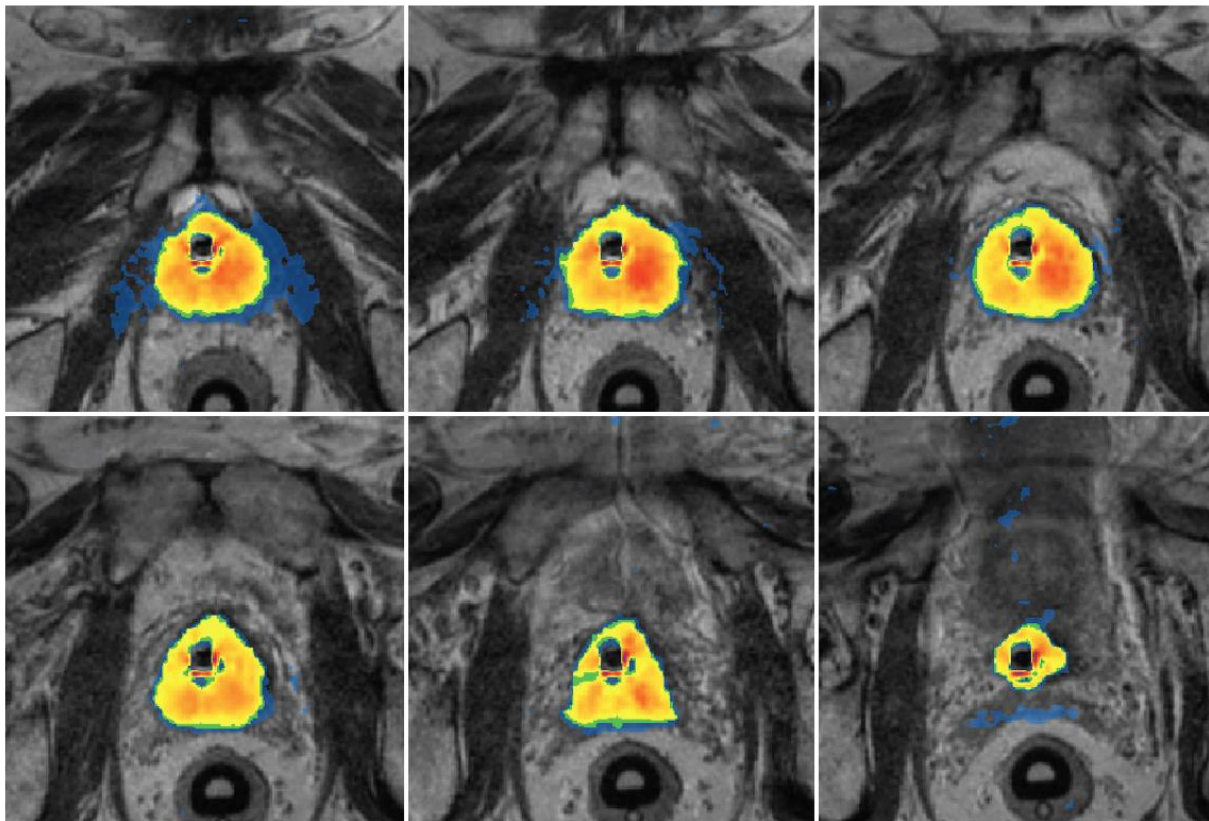


High resolution
contrast MRI confirms
ablation accuracy



Also confirmed by
gold standard whole-
mount pathology

TULSA Personalization – A Key Value Driver



Personalized to patient's anatomy and pathology, minimize side effects

Multiple Technologies are Reimbursement

PROCEDURE	CODE	PAYMENT 2016	CODE	PAYMENT 2016
LAPAROSCOPIC RADICAL PROSTATECTOMY WITH CC	DRG 666	\$9,775	CPT 55866	\$1,443
LAPAROSCOPIC RADICAL PROSTATECTOMY WITH MCC	DRG 665	\$17,022	CPT 55866	\$1,443
RADIATION THERAPY (IMRT SIMPLE, 40 SESSIONS)	APC 5623	\$19,816	CPT 77387	Fee bundled into primary APC
BRACHYTHERAPY	APC 5532, 5613, 5374, 5614, 5624	\$4,324 ¹	CPT 76873, 77318, 55875, 55876, 77778	\$2,206 ¹
CRYOABLATION	DRG 666	\$9,775	CPT 55873	\$793

Payers only need to pay for any one of the technologies to treat patients

Safe, Precise, Personalized, Fast

“Everything has returned to normal and in some cases is better than what it has been for five years.”

- First TULSA patient



Dr. Chin and world's first TULSA-PRO™ patient