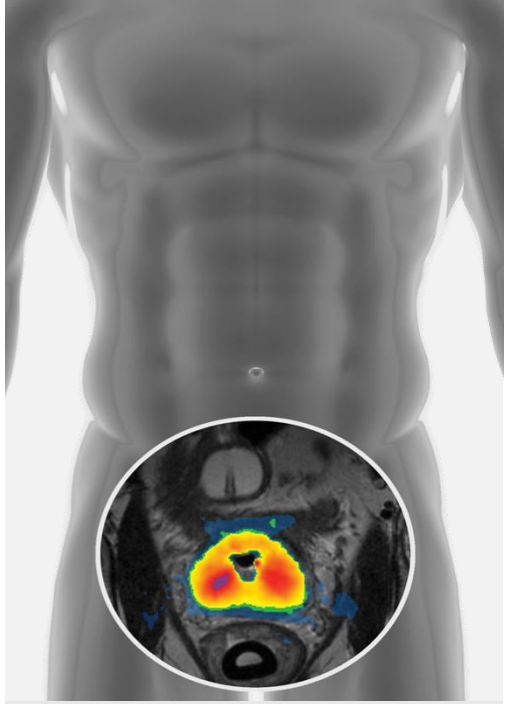
PROFOUND MEDICAL

Incision-free Surgery
Real-Time MR Guided Ultrasound Therapies

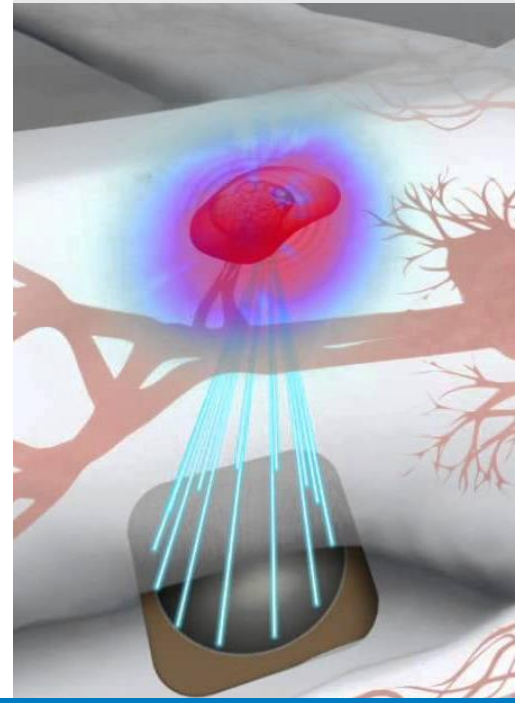


TULSA-PRO®

Prostate Disease

Sonalleve®

MRgFUS
Uterine Fibroids



CORPORATE PRESENTATION | OCTOBER 2017

 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.

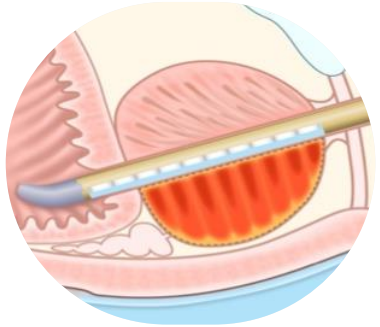
PROFOUND PLATFORM

INCISION-FREE TREATMENTS WITH INHEREHTLY SAFE TECHNOLOGIES

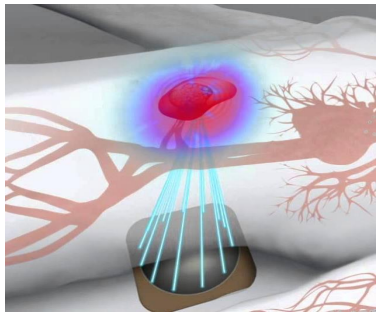
Real-Time
MR Imaging

+

Energy
Source



Ultrasound ‘Inside-Out’

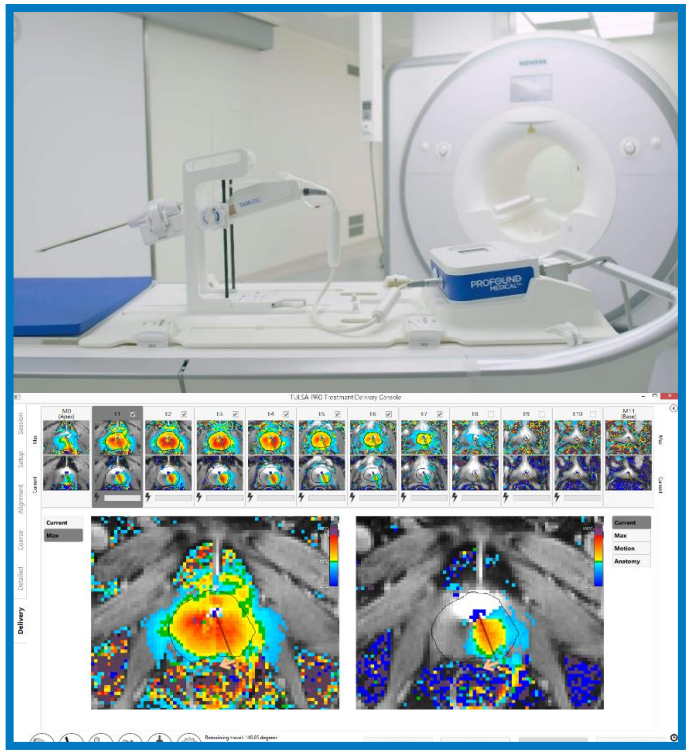


Ultrasound ‘Outside-In’

Only company to provide a therapeutics platform that provides the precision of real-time MR imaging combined with the safety and ablation power of directional (inside-out) and focused (outside-in) ultrasound technology for the incision-free ablation of diseased tissue

TULSA-PRO & SONALLEVE

BEST-IN-CLASS PLATFORM – REAL-TIME MR THERMOMETRY AND CLOSED LOOP TEMPERATURE CONTROL



- Current applications – Prostate (TULSA-PRO only), uterine fibroids & bone metastases (Sonalleve only)
- Future potential – Abdominal cancers, hyperthermia for cancer therapy, pediatrics

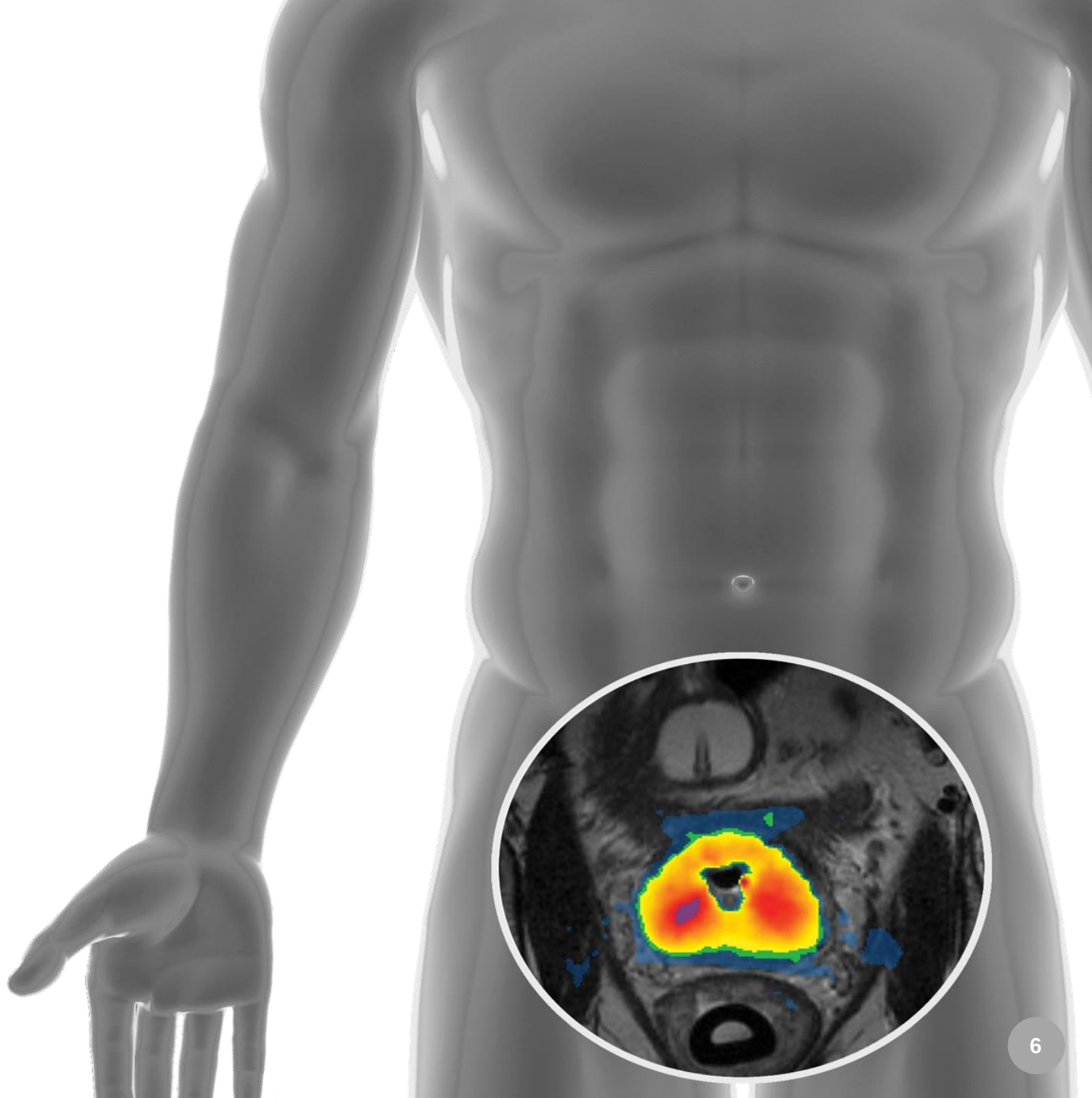
INCISION-FREE PROCEDURES

REAL-TIME MR GUIDED TREATMENTS

Therapeutic solutions that are

1. **Precise**
2. **Personalized**
3. **One and done**

Prostate Treatment

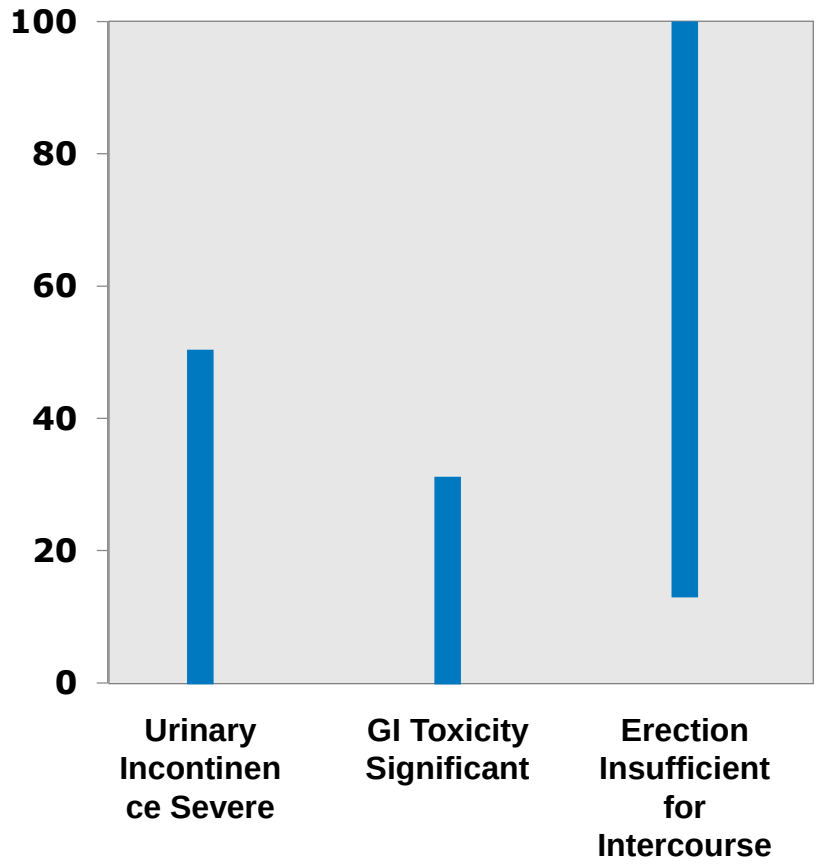


TODAY'S THERAPIES
SIDE EFFECTS

Functional Outcomes at 2 years[1]

	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%

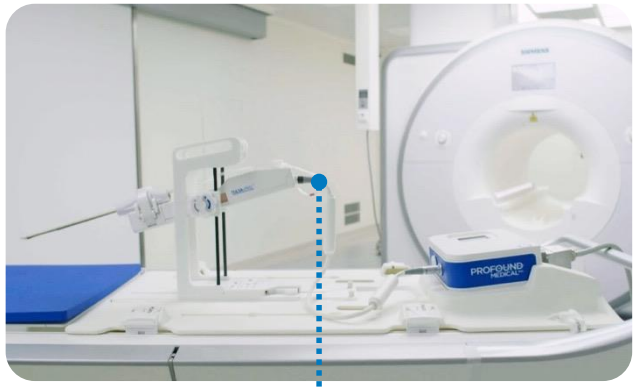
Rate of complications reported with radical prostatectomy & radiotherapy[2,3]
(Variation as reported in 436 publications)



1. Resnick et al. Long-Term Functional Outcomes after Treatment for Localized Prostate Cancer; New England Journal of Medicine, 2013 (Jan): 368:436-4452.
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.
3. PMI 12-month Phase 1 Trial, GCP-10102 Table 10

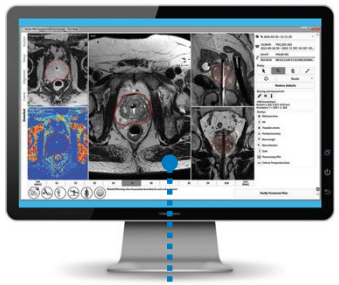
TULSA-PRO
EQUIPMENT

Compatible with MR from leading companies – Philips and Siemens

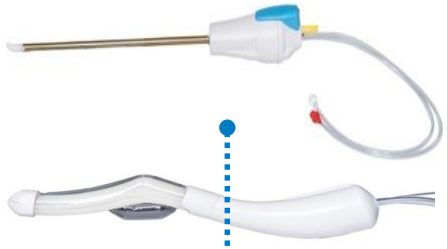


Robotic Arm, Computer Hardware

Energy System



Surgeon Console Control Room

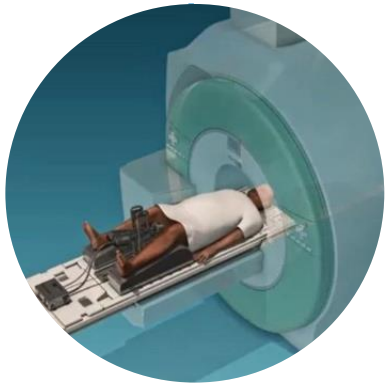


Disposable Applicators

UNIQUE INSIDE-OUT APPROACH

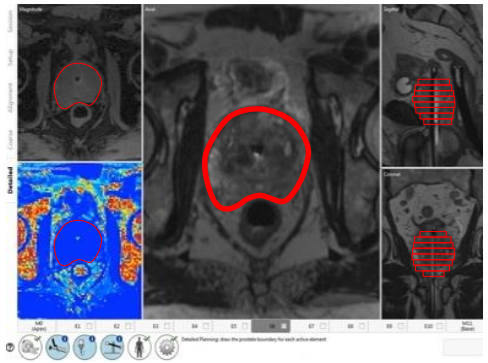
PROSTATE TREATMENT

1



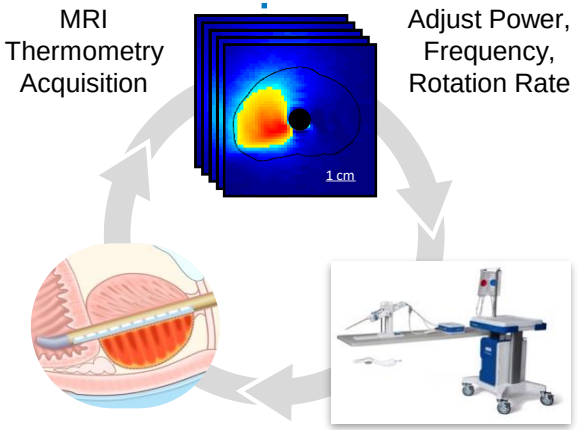
MRI Guided Device Positioning

2



Precise Treatment Planning

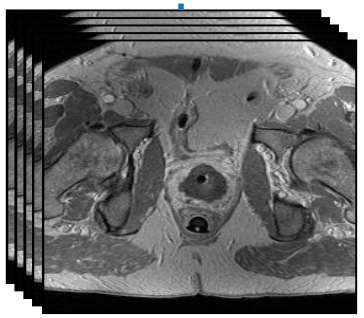
3



Automated, Robotically driven

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

4

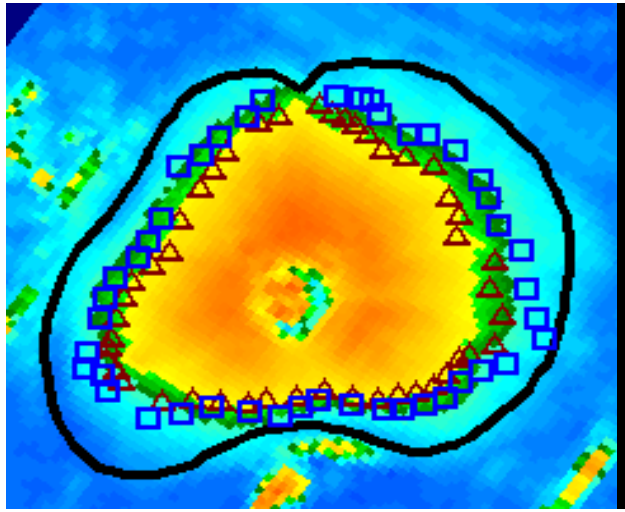


Confirmation of Ablation Margin with MRI

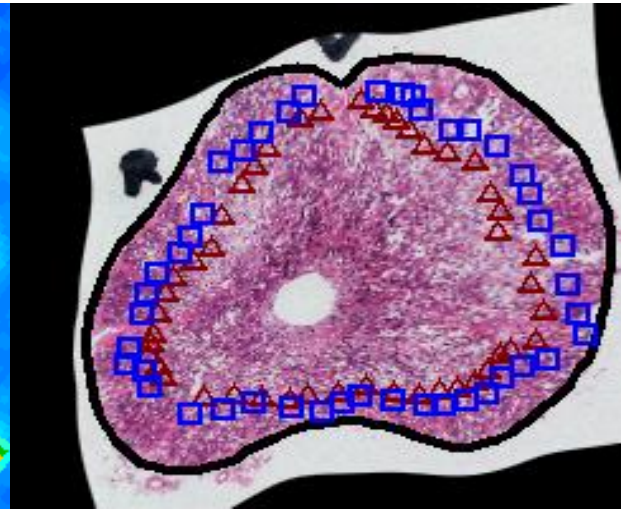
TULSA-PRO'S PRECISION & PERSONALIZATION
VALIDATED

- Excellent agreement between MR Thermometry and H&E Histology: 1.4 ± 1.0 mm
- Sharp treatment margins: 1.3 ± 0.5 mm (acute), decreases to zero after 48h+

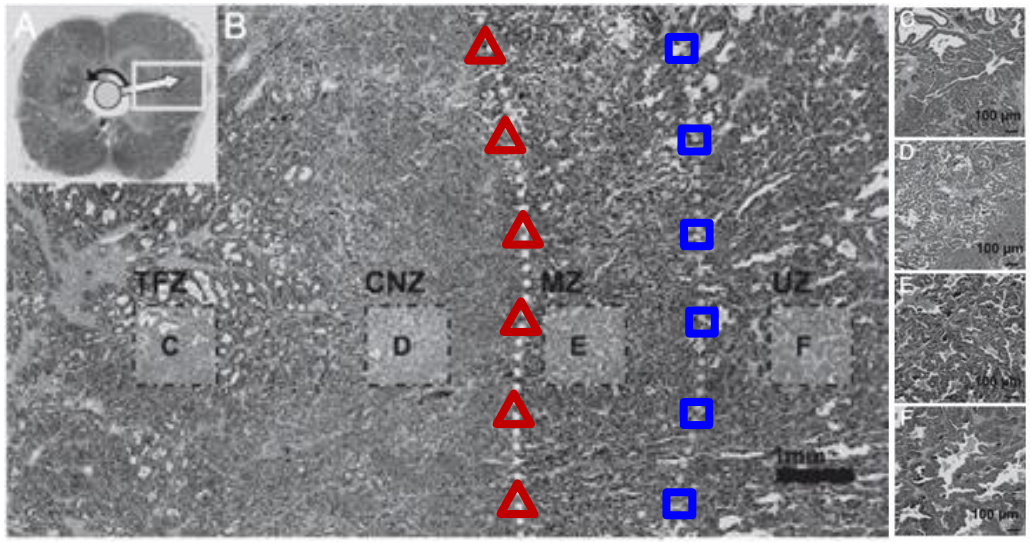
MR Thermometry



H&E Histology



Acute Histology



Thermally Fixed

Coagulative Necrosis

Margin

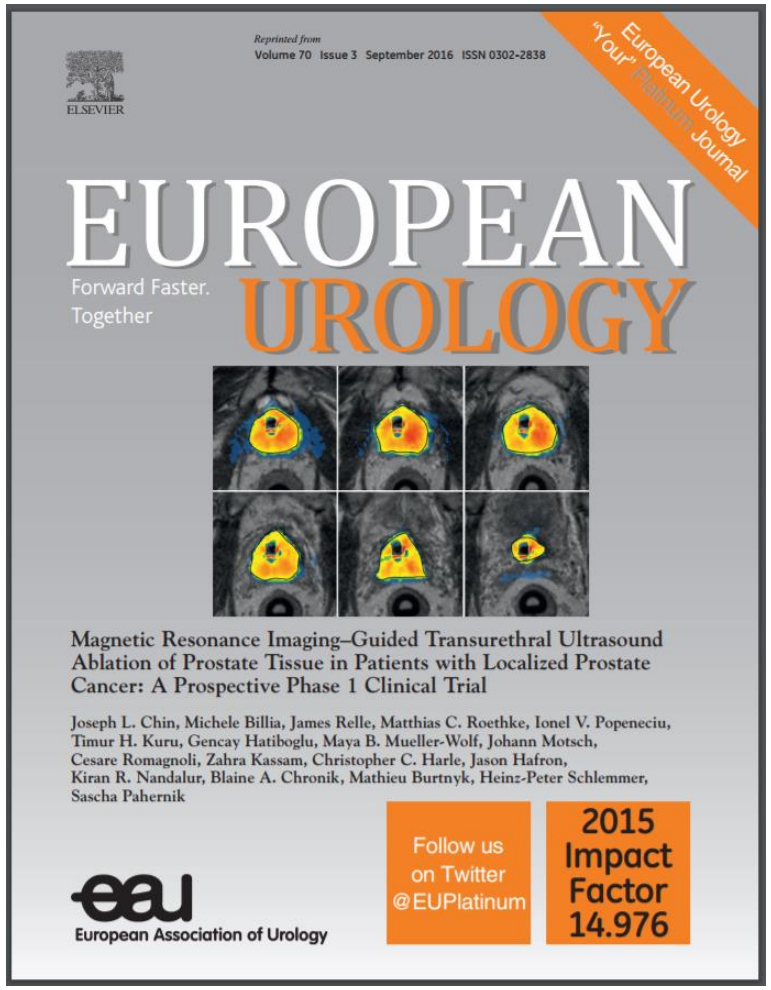
Untreated

△ 100% cell kill: All tissues inside are killed
▭ 0% cell kill: All tissues outside are untreated/normal

Boyes *et al* (2007) J Urol 178(3 Pt 1):1080-5; Chopra *et al* (2009) Phys Med Biol 54(9):2615-33; Siddiqui *et al* (2010) Urology 76(6):1506-11; Chopra *et al* (2012) Radiology 265(1):303-13; Burtnyk *et al* (2015) J Urol 193(5):1669-75; Ramsay *et al*, (2017) J Urol 197(1):255-261

PHASE I CLINCIAL TRIAL COMPLETED

SAFETY & FEASIBILITY



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

Study Population

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

Treatment Plan

- Imposed treatment margin, with 10% residual viable prostate around gland periphery

Primary Endpoints & Outcomes

- Safety – Frequency and severity of adverse events
  - Erectile function (erection firmness sufficient for penetration, IIEF Item 2 ≥ 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
- 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

Secondary Endpoints & Outcomes

- Quality of life – IPSS, IIEF, UCLA-PCI-SF
  - Well-tolerated favorable safety profile with minor impact on urinary, erectile and bowel function at 12 months
- Prostate volume – 88% reduction at 12 months
- PSA – 87% decrease at 1 month, remained stable to 0.8 ng/ml at 12 months
- Prostate TRUS Biopsy
  - Positive clinically significant cancer: 9/29 patients (31%)
  - Positive any cancer: 16/29 (55%)
  - Positive biopsies had 61% reduction in total cancer length

TACT PIVOTAL STUDY FOR FDA 510(k) REGISTRATION

IN PROGRESS – N=110, Thirteen Sites, Treated 62

Study Population

- Low & intermediate risk prostate cancer patients, 45 – 80 years old

Treatment Plan

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

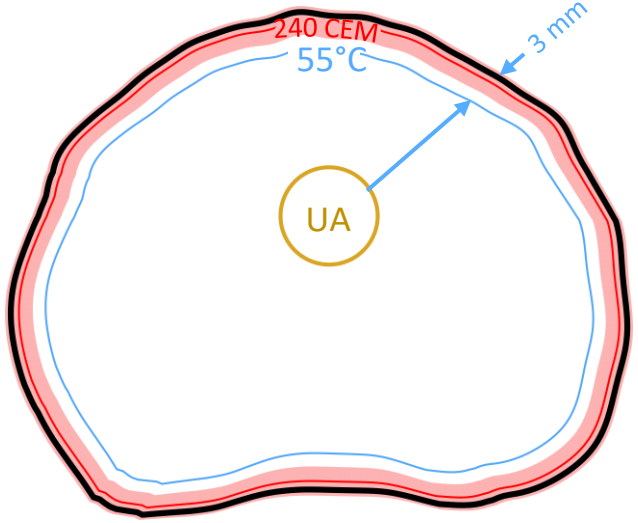
Primary Endpoints

- 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

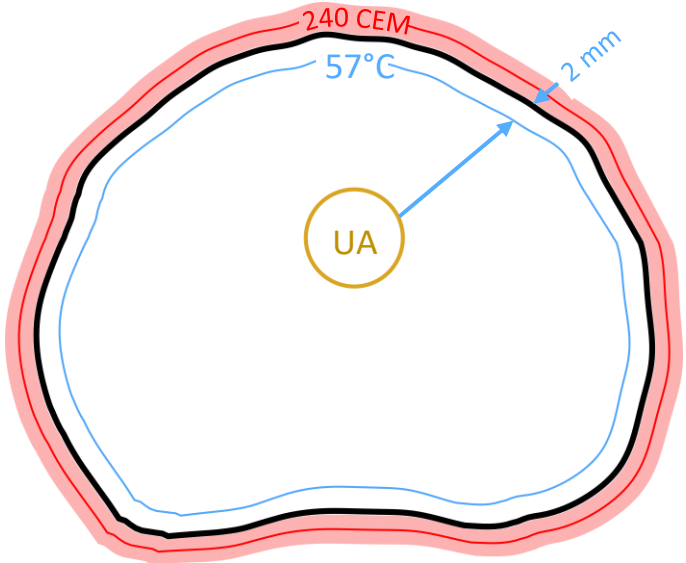
Phase I



Expected median residual viable prostate volume:

10% (8 – 13%)

Pivotal



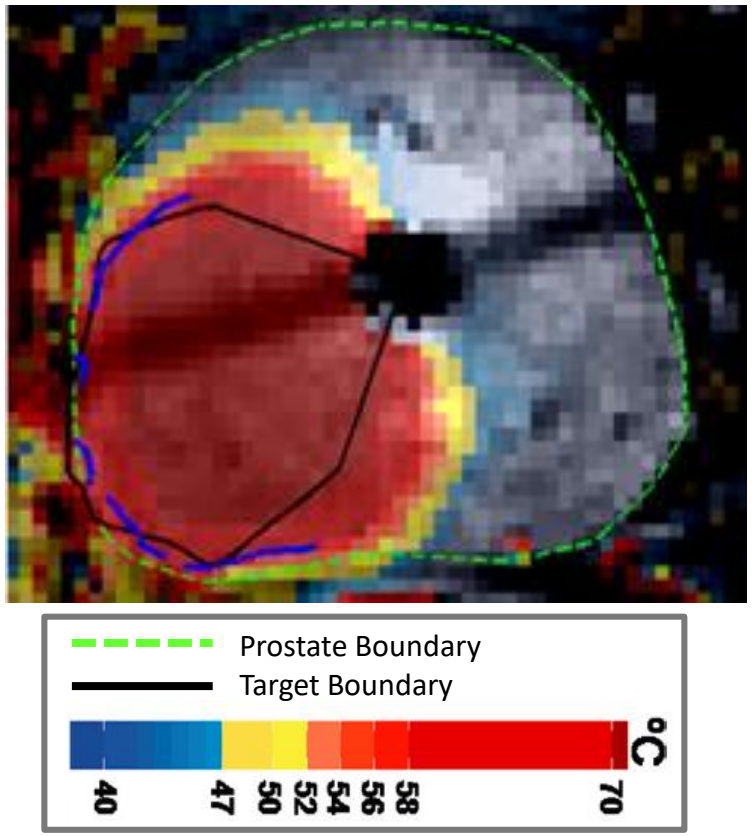
0.3% (0 – 1%)

TARGETED ABLATION (FOCAL THERAPY)

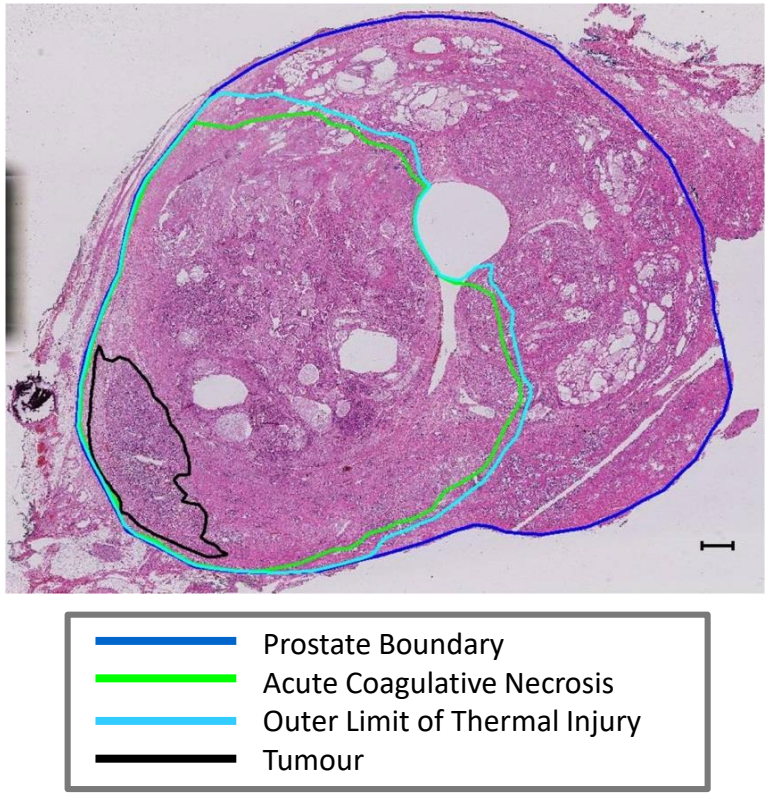
CLINICAL HISTOLOGY

- 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

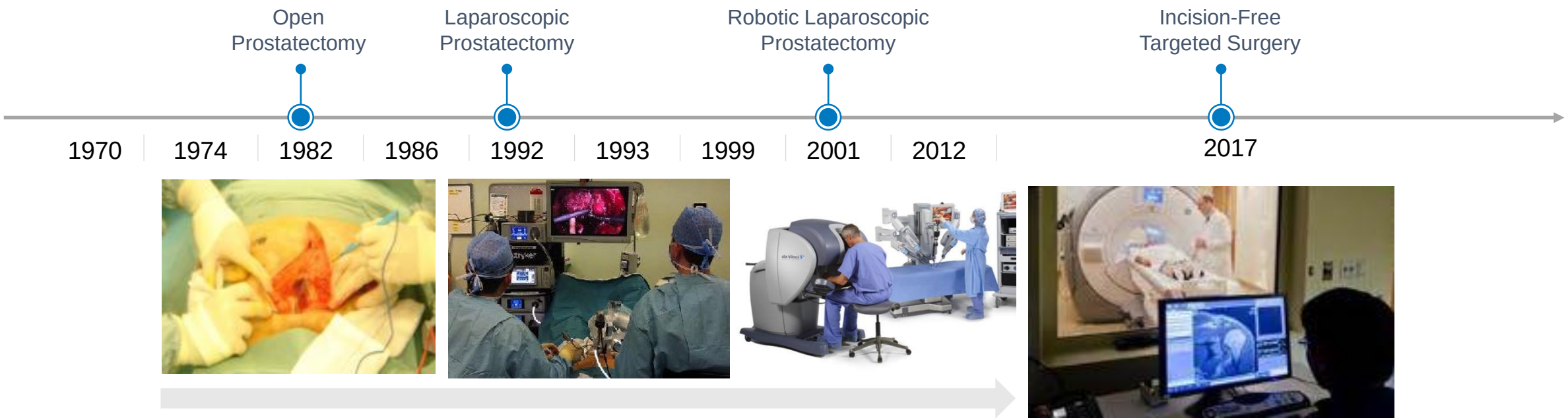


H&E Histology



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

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

REIMBURSEMENT ENVIRONMENT
FOR PROSTATE

No therapy is considered standard of care

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

* 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.

MARKET ENTRY STRATEGY
IN US & EUROPE

TULSA-PRO
- Precise
- Safe
- Personalized

PROFOUND SURGERY
- Patients on active surveillance who prefer a safe intervention
- Patients who otherwise might be targets for Radiation

SALES CHANNELS
- Initial equipment sold through distribution partners Philips and Siemens ($250,000/device)
- Disposable used per patient sold directly to drive utilization ($2400/patient)

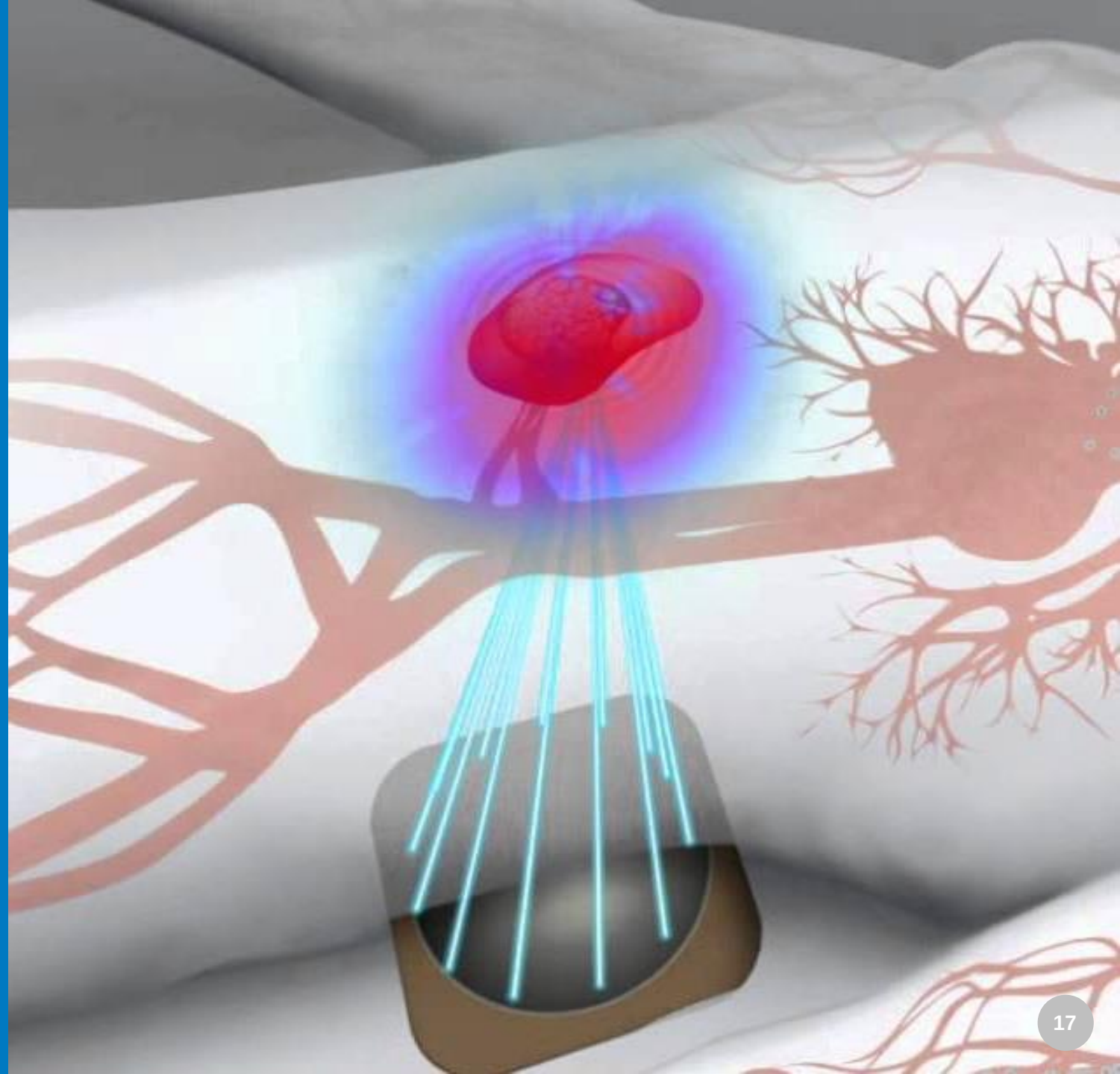
Active Surveillance
5.8 Million patients
- Live with psychological stress for 10-to-15 years
- Monitoring costs up to $29,000

Radiation
300,000 patients per year
- High rates of side effects
- Multiple treatments over 30-to-60 days
- 30% patients fail treatment

Prostatectomy
200,000 patients per year
- Removal of whole prostate and associated tissue
- Side effects surgeon skill dependent
- Relatively longer recovery time

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

Uterine Fibroid Treatment



EXPANDED COLLABORATION WITH PHILIPS

SONALLEVE

CE-Mark approval for:

- Uterine Fibroid Therapy
- Bone Mets Pain Therapy

> 100 peer reviewed publications

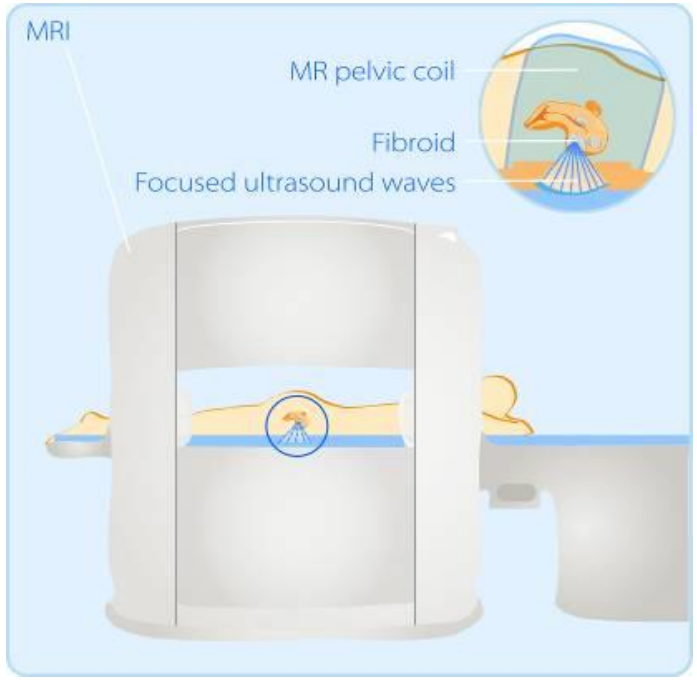
Compatible with Philips MRI

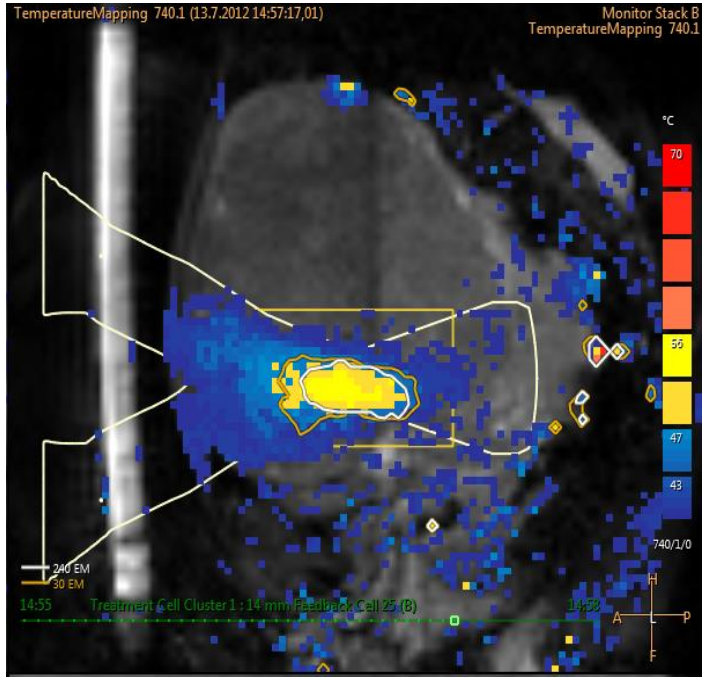
- Ingenia 1.5T and 3.0T
- Achieva 1.5T & 3.0T

Sonalleve

SONALLEVE
UTERINE FIBROID TREATMENT

- MR-guided: Treatment planning based on 3D MR images
- Focused ultrasound heats non-invasively through intact skin
- Real-time MR imaging & temperature measurement
  - Verify treatment success
  - Risk mitigation





SYMPTOM RELIEF AND DURABILITY

OVER 85% SUSTAINED SYMPTOM IMPROVEMENT

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

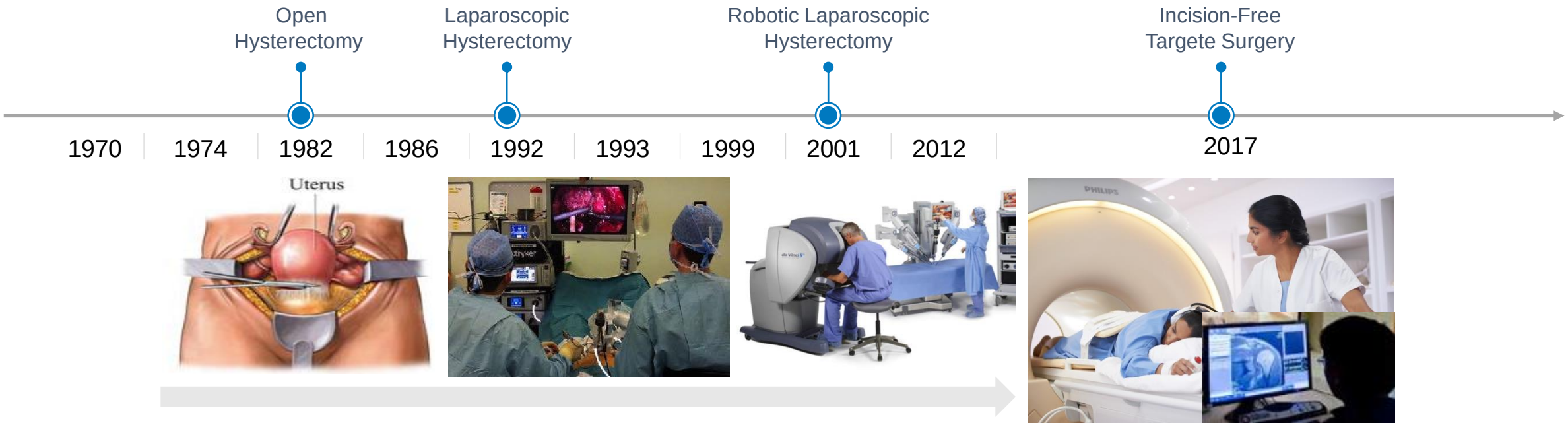
Months post-procedure	Patients available for follow-up	Symptom improvement		
		Improved	No relief	Worse
3 months	105	90 (85.7%)	14 (13.3%)	1 (1%)
6 months	99	92 (92.9%)	7 (7.1%)	0
12 months	89	78 (87.6%)	11 (12.4%)	0

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.

FROM OPEN SURGERY
TO INCISION-FREE SURGERY



SURGERY TYPE	FULL UTERUS REMOVAL	TARGETED FIBROID ABLATION
Invasiveness	Reduced	Incision free
Recovery time	Reduced	Day surgery
Clinical outcome	Unchanged	Superior
Surgeon skill	Dependent	Ablation under real time imaging guidance
Cost of Surgery	Higher	Lower

UTERINE FIBROID TREATMENT

SONALLEVE CREATES CLINICAL AND ECONOMIC VALUE

Targeted/Precise

Typically best for fibroids on the outer side of uterus

Uterus Preserving Therapy

No negative impact on future pregnancy

Incision Free

Low pain alternative to invasive procedures

Out-Patient Procedure

Go home same day

Quick Recovery

Return to normal activity in 2 days

STRONG GLOBAL NETWORK
OF SONALLEVE CLINICAL PARTNERS

IN SUMMARY

INVESTMENT HIGHLIGHTS

TULSA-PRO®

CE Mark

- Prostate ablation: 2016

FDA clinical trial

- Expected enrollment completion: Year End-2017
- Expected filing for 510(k): Year End-2018

Pilot commercial launch

- Key European and other CE mark jurisdictions
- Revenue ramp: Q1-2017 = $500,000; Q2-2017 = $1 million; expect steady increase moving forward

US launch expected H1-2019

Business model

- Capital upfront $250,000 + disposables $2,400/patient

Sonalleve

CE Mark

- Uterine fibroid treatment: 2009
- Bone metastases treatment: 2011

FDA clinical trial: TBA

Business model

- Currently all capital $600,000
- Anticipate adding disposable fee in future