

Profound Medical Announces Term Loan Agreement with CIBC Innovation Banking

TORONTO, July 31, 2018 -- Profound Medical Corp. ("Profound" or the "Company") (TSX:PRN) (OTCQX:PRFMF) today announced that it has entered into a term loan agreement (the "Agreement") with the CIBC Innovation Banking ("CIBC"), which provides Profound with up to \$18.75 million of available borrowing capacity.

The first tranche of \$12.50 million was funded upon execution of the Agreement. At Profound's option, a second tranche of up to an additional \$6.25 million will be available to the Company through December 31, 2019, subject to the satisfaction of certain financing and product development milestones, and other borrowing conditions.

Profound intends to use the proceeds to repay its current debt, including the remaining balance under its April 2015 loan agreement with Knight Therapeutics Inc. (the "Knight Loan"), and for working capital purposes.

"This transaction allows us to consolidate our debt with one banking partner, and lowers the overall cost of capital compared to our prior term debt obligations," commented Arun Menawat, Profound's CEO. "Additionally, the Agreement cost effectively and flexibly adds to the working capital available to the Company as we scale the business going forward."

"We are pleased to support Profound Medical's continued efforts to grow and deliver state-of-the-art treatments to patients, including those struggling with prostate cancer," said Jeff Chapman, Managing Director, CIBC Innovation Banking.

In connection with this transaction, Profound issued to CIBC 321,714 common share purchase warrants, with an exercise price of 0.97 per common share and a term of five years.

The Agreement will be secured against the assets of the Company and is subject to TSX approval.

About Profound Medical Corp.

The Profound Medical Corp. team is committed to creating the powerful combination of real-time MR-guidance as the imaging platform and ultrasound as the energy source for delivering non-invasive ablative tools to clinicians. These key technology pillars, linked with intelligent software and robotics, have the potential to fulfill unmet needs of patients and clinicians in many anatomies and disease states, including prostate cancer, uterine fibroids, and bone metastases. Our mission is to "profoundly" change the standard of care by creating a tomorrow where clinicians can confidently ablate tissue with precision; a tomorrow where patients have access to safe and effective treatment options, so they can quickly return to their daily lives.

Profound is commercializing a novel technology, TULSA-PRO[®], which combines real-time Magnetic Resonance Imaging with transurethral, robotically-driven therapeutic ultrasound and closed-loop thermal feedback control that is designed to provide precise ablation of the prostate while simultaneously protecting critical surrounding anatomy from potential side effects. TULSA-PRO[®] is CE marked and Profound is currently conducting a pilot commercial launch of the technology in key European and other CE mark jurisdictions. The Company is also sponsoring a multicenter, prospective FDA-registered clinical trial, TACT, which, if successful, is expected to support its application to the FDA for clearance to market TULSA-PRO[®] in the United States.

Profound Medical is also commercializing Sonalleve[®], an innovative therapeutic platform that combines real-time MR imaging and thermometry with thermal ultrasound to enable precise and incision-free ablation of diseased tissue. Sonalleve[®] is CE marked for the treatment of uterine fibroids and palliative pain treatment of bone metastases. The Company is also in the early stages of exploring additional potential treatment markets for Sonalleve[®], such as non-invasive ablation of abdominal cancers and hyperthermia for cancer therapy, where the technology has been shown to have clinical application.

Forward-Looking Statements

This release includes forward-looking statements regarding Profound and its business which may include, but is not limited to, the expectations regarding the efficacy of Profound's technology in the treatment of prostate cancer, uterine fibroids and palliative pain treatment. 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 Profound. The forward-looking events and circumstances discussed in this release, 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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange), nor the OTCQX accepts responsibility for the adequacy or accuracy of this release.

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