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**FOR IMMEDIATE RELEASE**

**Proteon Therapeutics Completes Second Closing of Equity Financing;  
Raises Total Series B to \$50 million**

*Proteon also receives orphan drug designation for its lead product candidate, PRT-201*

**Waltham, Mass., May 28, 2009** — Proteon Therapeutics, Inc., announced today that it has completed a second closing of its Series B equity financing, securing an additional \$12 million and increasing the total equity capital raised in this round to \$50 million. The additional equity investment came primarily from two new investors, Bessemer Venture Partners and Devon Park Bioventures, as well as from previous investors. Proteon also disclosed its lead product candidate, PRT-201, received orphan drug designation from FDA for prevention of arteriovenous fistula (AVF) maturation failure and arteriovenous graft (AVG) failure in patients with end-stage renal disease who are on or preparing for hemodialysis. Orphan drug designation allows for certain tax credits and an extended period of data exclusivity. These new developments follow Proteon's recent announcement of an agreement with Novartis whereby Novartis has been granted an exclusive option to acquire Proteon following the successful completion of a Phase 2 clinical study of PRT-201, with a potential secondary right to a global license under pre-agreed conditions.

"We are very pleased and fortunate to add the outstanding firms of Bessemer and Devon Park to our existing syndicate of blue chip investors," said Timothy P. Noyes, President and CEO of Proteon.

The initial closing of the Series B financing in March included new investors MPM Bio IV NVS Strategic Fund L.P. and Vectis Healthcare & Life Sciences Fund, along with existing investors TVM Capital, Skyline Ventures, Prism VentureWorks, Intersouth Partners and several of Proteon's original angel investors. Earlier this year, Proteon initiated a Phase 1/2 human clinical study of PRT-201 in patients undergoing surgery for AVF creation. The combination of the Novartis option agreement and the now increased size of the Series B financing will allow Proteon to develop PRT-201 beyond completion of an AVF Phase 2 clinical study.

**About PRT-201**

PRT-201 is a recombinant human elastase that is being studied for its ability to improve arteriovenous fistula (AVF) surgery outcomes in patients requiring chronic hemodialysis. PRT-201 has been shown to cause dilation of segments of arteries and veins following topical intraoperative application in animals. Vessel dilation and increased blood flow through the fistula may decrease AVF maturation failure rates. Improved maturation rates may lead to fewer corrective surgical procedures, hospitalizations, lower costs and less suffering for dialysis patients. PRT-201 also will be studied for its ability to prolong the patency of arteriovenous grafts (AVGs). The development program to investigate PRT-201 for improving vascular access has been designated a fast track program by the FDA.

**About Proteon Therapeutics**

Proteon Therapeutics, Inc., is a privately held biopharmaceutical company developing novel, first-in-class pharmaceuticals to address the critical medical needs of patients with kidney and vascular diseases. The company is headquartered in Waltham, Mass., and has research facilities in Kansas City, Mo. For additional information, please visit [www.proteontherapeutics.com](http://www.proteontherapeutics.com).

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