

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPROVAL | |
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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|--|---|--|
| 1. Name and Address of Reporting Person* <u>Freund John Gordon</u> (Last) (First) (Middle) SKYLINE VENTURES 525 UNIVERSITY AVENUE, SUITE 610 (Street) PALO ALTO CA 94301 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>PROTEON THERAPEUTICS INC [PRTO]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 10/27/2014 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------------------------------|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 10/27/2014 | | P | | 200,000 ⁽¹⁾ | A | \$10 | 200,000 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Common Stock | 10/27/2014 | | C | | 1,167,208 ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾ | A | ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾ | 1,367,208 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Common Stock | 10/27/2014 | | X | | 121,760 ⁽⁹⁾⁽⁴⁾ | A | \$4.6023 ⁽⁹⁾ | 1,488,968 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Common Stock | 10/27/2014 | | S ⁽⁹⁾ | | 56,038 ⁽⁹⁾⁽⁴⁾ | D | \$10 | 1,432,930 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Series A Convertible Preferred Stock | ⁽³⁾ | 10/27/2014 | | C | | 5,000,000 | | ⁽³⁾ | ⁽³⁾ | Common Stock | 375,608 ⁽⁴⁾ | \$0 | 0 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Series A-1 Convertible Preferred Stock | (5) | 10/27/2014 | | C | | | 2,341,664 | (5) | (5) | Common Stock | 179,903 ⁽⁴⁾ | \$0 | 0 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Series B Convertible Preferred Stock | (6) | 10/27/2014 | | C | | | 2,173,913 | (6) | (6) | Common Stock | 168,680 ⁽⁴⁾ | \$0 | 0 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Series C Convertible Preferred Stock | (7) | 10/27/2014 | | C | | | 2,436,437 | (7) | (7) | Common Stock | 189,049 ⁽⁴⁾ | \$0 | 0 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Series D Convertible Preferred Stock | (8) | 10/27/2014 | | C | | | 3,932,747 | (8) | (8) | Common Stock | 247,810 ⁽⁴⁾⁽⁸⁾ | \$0 | 0 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Warrants (Right to Buy) | \$4.6023 | 10/27/2014 | | X | | | 121,760 | (9) | (9) | Common Stock | 121,760 ⁽⁴⁾ | \$0 | 0 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |
| Option (Right to Purchase) | (10) | 10/27/2014 | | J | | | 1,389,064 | (10) | (10) | Series D Convertible Preferred Stock | 87,527 ⁽⁴⁾ | (10) | 0 | I | By Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ⁽²⁾ |

Explanation of Responses:

- These shares were purchased in connection with the Issuer's initial public offering of Common Stock.
- The shares are held by Skyline Venture Partners Qualified Purchaser Fund IV, L.P. ("Skyline"). The reporting person is a Managing Director of Skyline Venture Management IV, LLC, the sole general partner of Skyline, and may be deemed to share voting and dispositive power over the shares held by Skyline. The reporting person disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein.
- Upon the closing of the Issuer's initial public offering, each share of Series A Convertible Preferred Stock automatically converted into Common Stock on a 1-for-1.19 basis without payment of further consideration and with no expiration date.
- Reflects a 1-for-15.87 reverse stock split effected on October 6, 2014.
- Upon the closing of the Issuer's initial public offering, each share of Series A-1 Convertible Preferred Stock automatically converted into Common Stock on a 1-for-1.22 basis without payment of further consideration and has no expiration date.
- Upon the closing of the Issuer's initial public offering, each share of Series B Convertible Preferred Stock automatically converted into Common Stock on a 1-for-1.23 basis without payment of further consideration and has no expiration date.
- Upon the closing of the Issuer's initial public offering, each share of Series C Convertible Preferred Stock automatically converted into Common Stock on a 1-for-1.23 basis without payment of further consideration and has no expiration date.
- Upon the closing of the Issuer's initial public offering, each share of Series D Convertible Preferred Stock automatically converted into Common Stock on a one-for-one basis (without payment of further consideration and with no expiration date) plus an additional 6,158 incremental shares as a result of an adjustment as provided for in the Company's certificate of incorporation.
- Upon the closing the Issuer's initial public offering, Skyline exercised their warrants to purchase common stock on a net issue basis resulting in the net issuance of 65,722 shares of common stock.
- Skyline had a right to purchase shares of Series D Convertible Preferred Stock under the Series D Purchase Agreement at a price of \$0.588656, which right to purchase ceased to be exercisable upon the initial filing of the Issuer's registration statement for its initial public offering, and terminated upon the completion of the Issuer's initial public offering of Common Stock. Each share of Series D Preferred Stock issuable upon exercise of the right to purchase would have been convertible into shares of the Issuer's common stock as described in footnote (8) above.

/s/ George Eldridge, attorney-in-fact 10/28/2014

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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