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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Check this box to indicate that a transaction was made pursuant to a contract, instruction or written plan for the purchase or sale of equity securities of the issuer that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). See Instruction 10.

1. Name and Address of Reporting Person * <u>BVF PARTNERS L P/L</u> (Last) (First) (Middle) 44 MONTGOMERY ST. 40TH FLOOR (Street) SAN FRANCISCO CA 94104 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>PALVELLA THERAPEUTICS, INC. [PVLA]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) <input checked="" type="checkbox"/> Other (specify below) See Explanation of Responses
	3. Date of Earliest Transaction (Month/Day/Year) 12/13/2024	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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, \$0.001 par value ⁽¹⁾	12/13/2024		J ⁽²⁾		234,323	A	(2)	371,916 ⁽¹¹⁾	D ⁽³⁾	
Common Stock, \$0.001 par value ⁽¹⁾	12/13/2024		J ⁽²⁾		174,958	A	(2)	282,223 ⁽¹¹⁾	D ⁽⁴⁾	
Common Stock, \$0.001 par value ⁽¹⁾	12/13/2024		J ⁽²⁾		29,648	A	(2)	38,961 ⁽¹¹⁾	D ⁽⁵⁾	

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, \$0.001 par value ⁽¹⁾	(6)							(6)	(6)	Common Stock, \$0.001 par value	1,133 ⁽¹¹⁾		85	D ⁽⁵⁾	
Series B Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(7)							(7)	(7)	Common Stock, \$0.001 par value	27,787 ⁽¹¹⁾		2,083	D ⁽³⁾	
Series B Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(7)							(7)	(7)	Common Stock, \$0.001 par value	22,131 ⁽¹¹⁾		1,659	D ⁽⁴⁾	
Series B Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(7)							(7)	(7)	Common Stock, \$0.001 par value	3,788 ⁽¹¹⁾		284	D ⁽⁵⁾	
Series C Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(8)							(8)	(8)	Common Stock, \$0.001 par value	23,959 ⁽¹¹⁾		1,796	D ⁽³⁾	
Series C Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(8)							(8)	(8)	Common Stock, \$0.001 par value	19,276 ⁽¹¹⁾		1,445	D ⁽⁴⁾	

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 C Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(8)							(8)	(8)	Common Stock, \$0.001 par value	3,535 ⁽¹¹⁾		265	D ⁽⁵⁾	
Series D Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(9)							(9)	(9)	Common Stock, \$0.001 par value	23,465 ⁽¹¹⁾		1,759	D ⁽³⁾	
Series D Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(9)							(9)	(9)	Common Stock, \$0.001 par value	14,381 ⁽¹¹⁾		1,078	D ⁽⁴⁾	
Series D Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(9)							(9)	(9)	Common Stock, \$0.001 par value	2,174 ⁽¹¹⁾		163	D ⁽⁵⁾	
Series E Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(10)							(10)	(10)	Common Stock, \$0.001 par value	35,618 ⁽¹¹⁾		2,670	D ⁽³⁾	
Series E Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(10)							(10)	(10)	Common Stock, \$0.001 par value	24,906 ⁽¹¹⁾		1,867	D ⁽⁴⁾	
Series E Convertible Preferred Stock, \$0.001 par value ⁽¹⁾	(10)							(10)	(10)	Common Stock, \$0.001 par value	2,148 ⁽¹¹⁾		161	D ⁽⁵⁾	

1. Name and Address of Reporting Person *

[BVF PARTNERS L P/IL](#)

(Last) (First) (Middle)

44 MONTGOMERY ST.
40TH FLOOR

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[BIOTECHNOLOGY VALUE FUND L P](#)

(Last) (First) (Middle)

44 MONTGOMERY STREET
40TH FL

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[BVF I GP LLC](#)

(Last) (First) (Middle)

44 MONTGOMERY ST., 40TH FLOOR

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[BIOTECHNOLOGY VALUE FUND II LP](#)

(Last) (First) (Middle)

44 MONTGOMERY STREET
40TH FL

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[BVF II GP LLC](#)

(Last) (First) (Middle)

44 MONTGOMERY ST., 40TH FLOOR

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[Biotechnology Value Trading Fund OS LP](#)

(Last) (First) (Middle)

P.O. BOX 309 UGLAND HOUSE

(Street)

GRAND CAYMAN E9 KY1-1104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[BVF Partners OS Ltd.](#)

(Last) (First) (Middle)

P.O. BOX 309 UGLAND HOUSE

(Street)

GRAND CAYMAN E9 KY1-1104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[BVF GP HOLDINGS LLC](#)

(Last) (First) (Middle)

44 MONTGOMERY ST., 40TH FLOOR

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[BVF INC/IL](#)

(Last) (First) (Middle)

44 MONTGOMERY STREET
40TH FL

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

1. Name and Address of Reporting Person *

[LAMPERT MARK N](#)

(Last) (First) (Middle)

44 MONTGOMERY STREET
40TH FL

(Street)

SAN FRANCISCO CA 94104

(City) (State) (Zip)

Explanation of Responses:

1. This Form 4 is filed jointly by Biotechnology Value Fund, L.P. ("BVF"), Biotechnology Value Fund II, L.P. ("BVF2"), Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), BVF Partners OS Ltd. ("Partners OS"), BVF I GP LLC ("BVF GP"), BVF II GP LLC ("BVF2 GP"), BVF GP Holdings LLC ("BVF GPH"), BVF Partners L.P. ("Partners"), BVF Inc. and Mark N. Lampert (collectively, the "Reporting Persons"). Each of the Reporting Persons is a member of a group for purposes of Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act") that previously collectively beneficially owned over 10% of the Issuer's outstanding shares of Common Stock (the "Common Stock"). Each of the Reporting Persons disclaims beneficial ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.
2. On December 13, 2024, Palvella Therapeutics, Inc., formerly known as Pieris Pharmaceuticals, Inc. (the "Issuer"), completed a reverse merger transaction (the "Merger") with Palvella Therapeutics, Inc. ("Former Palvella") pursuant to that certain Agreement and Plan of Merger, dated as of July 23, 2024 (the "Merger Agreement"). In connection with the Merger, the Reporting Persons acquired an aggregate of 438,929 shares of Common Stock in exchange for all of the Former Palvella capital stock owned of record by the Reporting Persons.
3. Securities owned directly by BVF. As the general partner of BVF, BVF GP may be deemed to beneficially own the securities owned directly by BVF. As the sole member of BVF GP, BVF GPH may be deemed to beneficially own the securities owned directly by BVF. As the investment manager of BVF, Partners may be deemed to beneficially own the securities owned directly by BVF. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by BVF. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by BVF.
4. Securities owned directly by BVF2. As the general partner of BVF2, BVF2 GP may be deemed to beneficially own the securities owned directly by BVF2. As the sole member of BVF2 GP, BVF GPH may be deemed to beneficially own the securities owned directly by BVF2. As the investment manager of BVF2, Partners may be deemed to beneficially own the securities owned directly by BVF2. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by BVF2. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by BVF2.
5. Securities owned directly by Trading Fund OS. As the general partner of Trading Fund OS, Partners OS may be deemed to beneficially own the securities owned directly by Trading Fund OS. As the investment manager of Trading Fund OS and the sole member of Partners OS, Partners may be deemed to beneficially own the securities owned directly by Trading Fund OS. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by Trading Fund OS. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by Trading Fund OS.
6. The Reporting Persons hold an aggregate of 85 shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock"), which are convertible into an aggregate of 1,133 shares of Common Stock. Each share of Series A Preferred Stock is convertible at any time, at the holder's option, into 13.34 shares of Common Stock, except that the Series A Preferred Stock may not be converted if, after such conversion, the holder thereof (together with such holder's affiliates, and any other person whose beneficial ownership of Common Stock would be aggregated with the holder's ownership for purposes of Section 13(d) of the Exchange Act and the applicable regulations of the SEC, including any "group" of which the holder is a member) would beneficially own a number of shares of Common Stock in excess of 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of the Common Stock. The Series A Preferred Stock has no expiration date.
7. The Reporting Persons hold an aggregate of 4,026 shares of Series B Convertible Preferred Stock (the "Series B Preferred Stock"), which are convertible into an aggregate of 53,706 shares of Common Stock. Each share of Series B Preferred Stock is convertible at any time, at the holder's option, into 13.34 shares of Common Stock, except that the Series B Preferred Stock may not be converted if, after such conversion, the holder thereof (together with such holder's affiliates, and any other person whose beneficial ownership of Common Stock would be aggregated with the holder's ownership for purposes of Section 13(d) of the Exchange Act and the applicable regulations of the SEC, including any "group" of which the holder is a member) would beneficially own shares of Common Stock in excess of 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of the Common Stock. The Series B Preferred Stock has no expiration date.
8. The Reporting Persons hold an aggregate of 3,506 shares of Series C Convertible Preferred Stock (the "Series C Preferred Stock"), which are convertible into an aggregate of 46,770 shares of Common Stock. Each share of Series C Preferred Stock is convertible at any time, at the holder's option, into 13.34 shares of Common Stock, except that the Series C Preferred Stock may not be converted if, after such conversion, the holder thereof (together with such holder's affiliates, and any other person whose beneficial ownership of Common Stock would be aggregated with the holder's ownership for purposes of Section 13(d) of the Exchange Act and the applicable regulations of the SEC, including any "group" of which the holder is a member) would beneficially own shares of Common Stock in excess of 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of the Common Stock. The Series C Preferred Stock has no expiration date.
9. The Reporting Persons hold an aggregate of 3,000 shares of Series D Convertible Preferred Stock (the "Series D Preferred Stock"), which are convertible into an aggregate of 40,020 shares of Common Stock. Each share of Series D Preferred Stock is convertible at any time, at the holder's option, into 13.34 shares of Common Stock, except that the Series D Preferred Stock may not be converted if, after such conversion, the holder thereof (together with such holder's affiliates, and any other person whose beneficial ownership of Common Stock would be aggregated with the holder's ownership for purposes of Section 13(d) of the Exchange Act and the applicable regulations of the SEC, including any "group" of which the holder is a member) would beneficially own shares of Common Stock in excess of 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of the Common Stock. The Series D Preferred Stock has no expiration date.
10. The Reporting Persons hold an aggregate of 4,698 shares of Series E Convertible Preferred Stock (the "Series E Preferred Stock"), which are convertible into an aggregate of 62,671 shares of Common Stock. Each share of Series E Preferred Stock is convertible at any time, at the holder's option, into 13.34 shares of Common Stock, except that the Series E Preferred Stock may not be converted if, after such conversion, the holder thereof (together with such holder's affiliates, and any other person whose beneficial ownership of Common Stock would be aggregated with the holder's ownership for purposes of Section 13(d) of the Exchange Act and the applicable regulations of the SEC, including any "group" of which the holder is a member) would beneficially own shares of Common Stock in excess of 9.99% of the number of shares of Common Stock outstanding immediately after giving effect to the issuance of the Common Stock. The Series E Preferred Stock has no expiration date.
11. Reflects an eighty-for-one reverse stock split of the Issuer's issued and outstanding Common Stock, effective as of April 18, 2024.

[BVF Partners L.P., By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President](#) 12/17/2024

[Biotechnology Value Fund, L.P., By: BVF Partners L.P., its general partner, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President](#) 12/17/2024

[BVF I GP LLC, By: /s/ Mark N. Lampert, Chief Executive Officer](#) 12/17/2024

[Biotechnology Value Fund II, L.P., By: BVF Partners L.P., its general partner, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President](#) 12/17/2024

[BVF II GP LLC, By: /s/ Mark N. Lampert, Chief Executive Officer](#) 12/17/2024

BVF Partners OS Ltd., By: BVF Partners L.P., its sole member, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President 12/17/2024
Biotechnology Value Trading Fund OS LP, By: BVF Partners L.P., its investment manager, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President 12/17/2024
BVF GP Holdings LLC, By: /s/ Mark N. Lampert, Chief Executive Officer 12/17/2024
BVF Inc., By: /s/ Mark N. Lampert, President 12/17/2024
/s/ Mark N. Lampert 12/17/2024
** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.