

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ see attached statement.

18 Can any resulting loss be recognized? ▶ see attached statement.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ see attached statement.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ *Matt Korenberg* Date ▶ 2/28/2025
Print your name ▶ Matthew Korenberg Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Palvella Therapeutics, Inc.
(f/k/a Pieris Pharmaceuticals, Inc.)
EIN: 30-0784346

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

14. Describe the organizational action and, if applicable, the date of the action or the date against which stockholders' ownership is measured for the action.

On December 13, 2021, pursuant to the Agreement and Plan of Merger, dated as of July 23, 2024 (the “**Merger Agreement**”), by and among Pieris Pharmaceuticals (which, as noted below, changed its name to that of the acquired company, Palvella Therapeutics, Inc. following the Merger) (“**Acquiror**”), a Nevada corporation, Polo Merger Sub, Inc., a Delaware corporation and a direct wholly-owned subsidiary of Acquiror (“**Merger Sub**”), and Palvella Therapeutics, Inc., a Delaware corporation (“**Old Palvella**”), Merger Sub merged with and into Old Palvella, with Old Palvella as the surviving corporation (the “**Merger**”). Upon consummation of the Merger, Old Palvella became a wholly owned subsidiary of Acquiror, while maintaining its name, “Palvella Therapeutics, Inc.” Acquiror then changed its name from “Pieris Pharmaceuticals, Inc.” to “Palvella Therapeutics, Inc.” such that Palvella Therapeutics, Inc, a Nevada corporation, wholly owns Palvella Therapeutics, Inc, a Delaware corporation, following the merger.

Defined terms used in the attachment that are not defined herein are as defined in the Merger Agreement, which can be found [here](#). The statements in this Attachment are addressed solely to U.S. persons who held the stock in Old Palvella as a capital asset, and not to stock or options held with respect to employment. Former stockholders of Old Palvella should consult with their tax advisors on the tax treatment of the Merger to them.

The recitals and Section 6.8 of the Merger Agreement evidence the intent of the parties to treat the Merger as a reorganization as defined in section 368 of the Internal Revenue Code of 1986, as amended (the “**Code**”). The parties agreed to report the Merger as a reorganization for tax purposes. The parties did not request a ruling from the Internal Revenue Service on the treatment of the Merger. The statements in this form 8937 assume that the Merger is a reorganization as defined in section 368 of the Code.

Pursuant to the Merger Agreement, at the effective time of the Merger, the outstanding shares of Old Palvella voting common stock, non-voting common stock and preferred stock were converted into the right to receive shares of Acquiror common stock. If in the exchange a former stockholder of Old Palvella would have been entitled to a fractional share of Acquiror common stock, the stockholder received a cash payment (without interest and subject to applicable Tax withholding) rounded down to the nearest whole cent, in an amount equal to such fractional part of a share of Acquiror common stock multiplied by the last reported sale price of Acquiror common stock at the 4:00 p.m., eastern time, end of regular trading hours on The Nasdaq Capital Market (“**Nasdaq**”) on the last trading day prior to the Effective Time.

15. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis.

Assuming that the Merger qualifies as a reorganization within the meaning of Section 368(a)(1) of the Code, it is expected that the exchange of shares of Old Palvella voting common stock, non-voting common stock and/or preferred stock for shares of Acquiror common stock will not create any recognized gain or loss, except as with respect to the cash received for fractional shares.

A former stockholder of Old Palvella who received cash in lieu of a fractional share of Acquiror common stock will generally be treated as having received such fractional share in the Merger and then as having sold such fractional share for cash. As a result, gain or loss will be recognized, based on the difference between the amount of cash received in lieu of the fractional share of Acquiror common stock and the tax basis allocated to such fractional share of Acquiror common stock.

The aggregate tax basis of a former stockholder of Old Palvella in the Acquiror common stock received in the Merger should be equal to the aggregate tax basis of the shares of Old Palvella voting common stock, non-voting common stock and/or preferred stock exchanged in the Merger, less the basis of the shares of Old Palvella common stock and/or preferred stock deemed repurchased for the fractional shares of Acquiror common stock, as described above.

A former stockholder of Old Palvella must allocate the aggregate tax basis in its shares of Acquiror common stock received in the Merger (as determined pursuant to the immediately preceding paragraph) across the total number of shares of Acquiror common stock it receives in the Merger. Applicable U.S. Treasury Regulations provide detailed rules for allocating the tax basis and holding period of the shares of Old Palvella stock surrendered to the shares of Acquiror common stock received. Former stockholders of Old Palvella with shares of Old Palvella stock acquired on different dates and at different prices should consult their tax advisors regarding the allocation of the tax basis and holding period of such shares. The resulting tax basis will differ with respect to each former stockholder of Old Palvella.

For more information regarding the tax consequences of the Merger, please see the section titled “Material U.S. Federal Income Tax Consequences of the Merger” in our Form 424(b)(3) filed with the SEC with respect to the Merger, which can be accessed [here](#). Former stockholders of Old Palvella are encouraged to consult their own tax advisors regarding the tax consequences of the Merger.

16. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

See the response to Item 15 above.

17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based.

Acquiror's acquisition of Old Palvella pursuant to the Merger is intended to qualify as a reorganization for U.S. federal income tax purposes within the meaning of Section 368(a) of the Code. As such, the U.S. federal income tax consequences to the former stockholders of Old Palvella should be determined under Sections 354, 356, 358, 483, 1001, 1221, and 1223 of the Internal Revenue Code.

18. Can any resulting loss be recognized?

In general, assuming the Merger qualifies as a reorganization, no loss may be recognized, other than a loss of the cash received for fractional shares, as described above.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Merger is reportable in the stockholders tax year that includes that date of the Merger, December 13, 2024. The holding period for any shares of Acquiror common stock received by a former stockholder of Old Palvella in the Merger should generally include the stockholder's holding period in the shares of Old Palvella stock exchanged for the Acquiror common stock.