

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>GARAGIC DENIS</u> (Last) (First) (Middle) <u>C/O PALLADYNE AI CORP.</u> <u>650 SOUTH 500 WEST, SUITE 150</u> (Street) <u>SALT LAKE CITY</u> <u>UT</u> <u>84101</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Palladyne AI Corp. [PDYN]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>03/10/2026</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner ☒ Officer (give title below) Other (specify below) <u>CHIEF TECHNOLOGY OFFICER</u> 6. Individual or Joint/Group Filing (Check Applicable Line) ☒ Form filed by One Reporting Person Form filed by More than One Reporting Person
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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	03/10/2026		A		35,000 ⁽¹⁾	A	\$0	605,229	D	
Common Stock	03/12/2026		S ⁽²⁾		12,945	D	\$7.55	592,284 ⁽³⁾	D	

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		Date Exercisable	Expiration Date					

Explanation of Responses:

1. Represents restricted stock units ("RSUs") granted pursuant to the 2021 Equity Incentive Plan, which can only be settled with shares of common stock. 25% of the award vests on March 10, 2027 and 1/12 of the award vests on each quarterly vesting date thereafter beginning May 20, 2027, subject to continued service through the applicable vesting date.
2. Represents shares of common stock sold to cover income tax liabilities in connection with the vesting of restricted stock unit awards pursuant to sell-to-cover arrangements implemented by the Issuer, which the Reporting Person may elect to pay in cash, and does not represent discretionary transactions by the Reporting Person.
3. Includes shares represented by RSUs, of which 30,000 settled on March 10, 2026 and were then reduced by the 12,945 shares sold for taxes as reported on this Form 4.

/s/ Stephen Sonne, attorney-in-
fact on behalf of Denis 03/12/2026
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** 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.