
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2024

(Commission File No. 001-40241)

LAVA Therapeutics N.V.

(Translation of registrant's name into English)

Yalelaan 62
3584 CM Utrecht, The Netherlands
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

LAVA Therapeutics, N.V.

Exhibits 99.1 and 99.2 to this Report on Form 6-K shall be deemed to be incorporated by reference into the registration statement on Form S-8 (File no. 333-256655) and registration statement on Form F-3 (File no. 333-264246) of LAVA Therapeutics N.V. (including any prospectuses forming a part of such registration statements) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

Exhibit 99.3 to this Report on Form 6-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

RISK FACTORS

Our business faces significant risks. You should carefully consider all of the information set forth in this report and in our other filings with the United States Securities and Exchange Commission (SEC). Our business, financial condition, results of operations and growth prospects could be materially adversely affected by any of these risks. This report also contains forward-looking statements that involve risks and uncertainties. Our results could materially differ from those anticipated in these forward-looking statements, as a result of certain factors including the risks described in our other SEC filings.

Exhibit List

<u>Exhibit</u>	<u>Description</u>
99.1	<u>Unaudited Condensed Consolidated Interim Financial Statements as of and for the Three and Six Months Ended June 30, 2024 and 2023</u>
99.2	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations as of and for the Three and Six Months Ended June 30, 2024 and 2023</u>
99.3	<u>Press Release dated August 20, 2024</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LAVA Therapeutics, N.V.
(Registrant)

Date: August 20, 2024

By: /s/ Fred Powell
Fred Powell
Chief Financial Officer

LAVA THERAPEUTICS N.V.
INDEX TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	Page
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)	2
Condensed Consolidated Interim Statements of Financial Position (unaudited)	3
Condensed Consolidated Interim Statements of Changes in Equity (unaudited)	4
Condensed Consolidated Interim Statements of Cash Flows (unaudited)	6
Notes to the Condensed Consolidated Interim Financial Statements (unaudited)	7

LAVA Therapeutics N.V.
Condensed Consolidated Interim Statements of Loss
and Comprehensive Loss
(in thousands, except share and per share amounts) (unaudited)

	Notes	Three Months Ended June 30,		For the Six Months Ended June 30,	
		2024	2023	2024	2023
Revenue:					
Revenue from contracts with customers	5	\$ —	\$ 5,139	\$ 6,992	\$ 6,363
Cost of sales of goods	5	—	(2,361)	—	(2,546)
Cost of providing services	5	—	(27)	—	(772)
Gross profit		—	2,751	6,992	3,045
Operating expenses:					
Research and development	6	(6,336)	(12,599)	(12,345)	(22,542)
General and administrative	7	(3,025)	(3,697)	(5,960)	(7,587)
Total operating expenses		(9,361)	(16,296)	(18,305)	(30,129)
Operating loss		(9,361)	(13,545)	(11,313)	(27,084)
Interest income, net		811	698	1,621	1,315
Foreign currency exchange gain (loss), net		339	244	997	(703)
Total non-operating income		1,150	942	2,618	612
Loss before income tax		(8,211)	(12,603)	(8,695)	(26,472)
Income tax expense		(85)	(97)	(154)	(168)
Loss for the period		\$ (8,296)	\$ (12,700)	\$ (8,849)	\$ (26,640)
Items that may be reclassified to profit or loss					
Foreign currency translation adjustment		(329)	(243)	(1,392)	1,303
Total comprehensive loss		\$ (8,625)	\$ (12,943)	\$ (10,241)	\$ (25,337)
Loss per share:					
Loss per share, basic and diluted		\$ (0.31)	\$ (0.48)	\$ (0.33)	\$ (1.01)
Weighted-average common shares outstanding, basic and diluted		26,822,139	26,289,087	26,805,793	26,289,087

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

LAVA Therapeutics N.V.
Condensed Consolidated Interim Statements of Financial Position
(in thousands) (unaudited)

	Notes	June 30, 2024	December 31, 2023
Assets			
Non-current assets:			
Property and equipment, net		\$ 1,230	\$ 1,602
Right-of-use assets		737	892
Other non-current assets and security deposits		144	319
Total non-current assets		2,111	2,813
Current assets:			
Receivables and other		582	1,459
Prepaid expenses and other current assets		2,223	1,627
VAT receivable		568	240
Investments	9	51,714	51,340
Cash and cash equivalents		35,086	44,231
Total current assets		90,173	98,897
Total assets		\$ 92,284	\$ 101,710
Equity and Liabilities			
Equity:			
Share capital		\$ 3,716	\$ 3,715
Equity-settled employee benefits reserve	8	13,729	12,005
Foreign currency translation reserve		(12,291)	(10,899)
Additional paid-in capital		194,448	194,424
Accumulated deficit		(156,724)	(148,067)
Total equity		42,878	51,178
Non-current liabilities:			
Deferred revenue	5	35,000	35,000
Lease liabilities		295	591
Total non-current liabilities		35,295	35,591
Current liabilities:			
Trade payables and other		4,161	4,446
Borrowings		5,383	5,282
Lease liabilities		485	440
Accrued expenses and other current liabilities		4,082	4,773
Total current liabilities		14,111	14,941
Total liabilities		49,406	50,532
Total equity and liabilities		\$ 92,284	\$ 101,710

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

LAVA Therapeutics N.V.
Condensed Consolidated Interim Statements of Changes in Equity
(in thousands, except share amounts) (unaudited)

	Note	Common shares	Share capital	Equity-settled employee benefits reserves	Foreign currency translation reserve	APIC	Accumulated deficit	Total
Balance at March 31, 2024		26,292,187	\$ 3,715	\$ 12,959	\$ (11,962)	\$ 194,432	\$ (148,479)	\$ 50,665
Profit for the period		—	—	—	—	—	(8,296)	(8,296)
Option exercises		5,135	1	(19)	—	16	19	17
Foreign currency translation adjustment		—	—	—	(329)	—	—	(329)
Reclassification of lapsed options	8	—	—	(32)	—	—	32	—
Share-based compensation expense	8	—	—	821	—	—	—	821
Balance at June 30, 2024		<u>26,297,322</u>	<u>\$ 3,716</u>	<u>\$ 13,729</u>	<u>\$ (12,291)</u>	<u>\$ 194,448</u>	<u>\$ (156,724)</u>	<u>\$ 42,878</u>

	Note	Common shares	Share capital	Equity-settled employee benefits reserves	Foreign currency translation reserve	APIC	Accumulated deficit	Total
Balance at January 1, 2024		26,289,087	\$ 3,715	\$ 12,005	\$ (10,899)	\$ 194,424	\$ (148,067)	\$ 51,178
Loss for the period		—	—	—	—	—	(8,849)	(8,849)
Option exercises		8,235	1	(19)	—	24	19	25
Foreign currency translation adjustment		—	—	—	(1,392)	—	—	(1,392)
Reclassification of lapsed options	8	—	—	(173)	—	—	173	—
Share-based compensation expense	8	—	—	1,916	—	—	—	1,916
Balance at June 30, 2024		<u>26,297,322</u>	<u>\$ 3,716</u>	<u>\$ 13,729</u>	<u>\$ (12,291)</u>	<u>\$ 194,448</u>	<u>\$ (156,724)</u>	<u>\$ 42,878</u>

	Note	Common shares	Share capital	Equity-settled employee benefits reserves	Foreign currency translation reserve	APIC	Accumulated deficit	Total
Balance at March 31, 2023		26,289,087	\$ 3,715	\$ 10,572	\$ (11,426)	\$ 194,424	\$ (122,009)	\$ 75,276
Loss for the period		—	—	—	—	—	(12,700)	(12,700)
Foreign currency translation adjustment		—	—	—	(243)	—	—	(243)
Share-based compensation expense	8	—	—	1,560	—	—	—	1,560
Balance at June 30, 2023		<u>26,289,087</u>	<u>\$ 3,715</u>	<u>\$ 12,132</u>	<u>\$ (11,669)</u>	<u>\$ 194,424</u>	<u>\$ (134,709)</u>	<u>\$ 63,893</u>

	Note	Common shares	Share capital	Equity-settled employee benefits reserves	Foreign currency translation reserve	APIC	Accumulated deficit	Total
Balance at January 1, 2023		26,289,087	\$ 3,715	\$ 8,942	\$ (12,972)	\$ 194,424	\$ (108,069)	\$ 86,040
Loss for the period		—	—	—	—	—	(26,640)	(26,640)
Foreign currency translation adjustment		—	—	—	1,303	—	—	1,303
Share-based compensation expense	8	—	—	3,190	—	—	—	3,190
Balance at June 30, 2023		<u>26,289,087</u>	<u>\$ 3,715</u>	<u>\$ 12,132</u>	<u>\$ (11,669)</u>	<u>\$ 194,424</u>	<u>\$ (134,709)</u>	<u>\$ 63,893</u>

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

LAVA Therapeutics N.V.
Condensed Consolidated Interim Statements of Cash Flows
(in thousands) (unaudited)

	Notes	Six Months Ended June 30,	
		2024	2023
Cash flows from operating activities:			
Loss before income tax		\$ (8,695)	\$ (26,472)
Adjusted for:			
Depreciation and amortization of non-current assets		264	281
Foreign currency exchange (gain) loss, net		(997)	703
Depreciation of right-of-use assets		211	327
Share-based compensation expense	8	1,916	3,190
Income tax expense		(154)	(168)
Amortization of premium on investments		(1,340)	(888)
Changes in working capital:			
Receivables and other		842	(683)
VAT receivable		(338)	(427)
Prepaid expenses and other assets		(484)	3,212
Trade accounts payable and other		(154)	1,032
License liabilities		—	(4,795)
Other liabilities		(580)	3,288
Net cash used in operating activities		(9,509)	(21,400)
Cash flows from investing activities:			
Purchases of property and equipment		—	(724)
Proceeds from sale of property, plant and equipment		92	—
Purchases of investments		(56,035)	(24,552)
Maturities of investments		57,000	33,177
Net cash provided by investing activities		1,057	7,901
Cash flows from financing activities:			
Proceeds from option exercises		25	—
Proceeds from borrowings		259	235
Payment of principal portion of lease liabilities		(279)	(489)
Net cash provided by (used in) financing activities		5	(254)
Net decrease in cash and cash equivalents		(8,447)	(13,753)
Cash and cash equivalents at beginning of period		44,231	100,333
Effects of exchange rate changes		(698)	1,027
Cash and cash equivalents at end of period		\$ 35,086	\$ 87,607
Supplemental schedule of interest and income tax cash flows included in cash flows from operating activities:			
Interest received		\$ 1,897	\$ 1,684
Income tax paid		\$ 208	\$ 280

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

15VA Therapeutics N.V.
Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Note 1—General Information

LAVA Therapeutics N.V., together with its subsidiaries, is a clinical-stage immuno-oncology company focused on developing its proprietary Gammabody® platform of bispecific gamma-delta T cell engagers to transform the treatment of cancer. Using its Gammabody platform, the Company is developing a portfolio of novel bispecific antibodies designed to engage and leverage the potency and precision of gamma-delta (gd) T cells to elicit a robust, anti-tumor immune response and improve outcomes for cancer patients. LAVA Therapeutics N.V. was incorporated in 2016 and is headquartered in Utrecht, the Netherlands. In August 2024, we established a wholly owned Australian subsidiary, LAVA Therapeutics (Australia) Pty Ltd. Unless the context otherwise requires, references to the “Company,” “we,” “us” and “our” refer to LAVA Therapeutics N.V. and its subsidiaries.

In connection with becoming a public company, on March 29, 2021, the Company converted from “LAVA Therapeutics, B.V.” to “LAVA Therapeutics N.V.” The address of the Company’s registered office is Yalelaan 62, 3584 CM Utrecht, the Netherlands. The Company’s common shares are listed for trading under the symbol “LVTX” on The Nasdaq Global Select Market.

The Company will transition from foreign private issuer to U.S. domestic filer status beginning on January 1, 2025 and will file its annual report for the year ended December 31, 2024 on a Form 10-K and prepare the financial statements in accordance with US Generally Accepted Accounting Principles (US GAAP) for all comparative periods.

The Audit Committee of the Company’s Board of Directors approved these unaudited condensed consolidated interim financial statements on August 15, 2024.

Note 2—Summary of Significant Accounting Policies

Basis of preparation

The unaudited condensed consolidated interim financial statements of the Company are prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board. Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) have been condensed or omitted. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2023 and accompanying notes, which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and are included on Form 20-F filed by the Company on March 20, 2024.

The accounting policies applied are consistent with those of the previous financial year. A description of our accounting policies is provided in the Accounting Policies section of the audited consolidated financial statements as of and for the years ended December 31, 2023 and 2022, included on Form 20-F filed by the Company on March 20, 2024.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the unaudited condensed consolidated interim financial statements are disclosed in Note 3. The interim financial data as of June 30, 2024 and 2023, and for the three and six months ended June 30, 2024 and 2023, are unaudited. In the opinion of management, the interim

financial data includes all adjustments, consisting only of normal recurring adjustments, necessary to a fair statement of the results for the interim periods.

License Revenue

We may enter into collaboration and licensing arrangements for research and development, manufacturing, and commercialization activities with counterparties for the development and commercialization of our product candidates. These arrangements may contain multiple components, such as (i) licenses, (ii) research and development activities, and (iii) the manufacturing of certain materials. Payments pursuant to these arrangements may include non-refundable and refundable payments, payments upon the achievement of significant regulatory, development and commercial milestones, sales of products at certain agreed-upon amounts, and royalties on product sales.

In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under a collaboration agreement, we perform the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are capable of being distinct; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue as we satisfy each performance obligation.

We must develop estimates and assumptions that require judgment to determine the underlying stand-alone selling price for each performance obligation, which determines how the transaction price is allocated among the performance obligations. The estimation of the stand-alone selling price may include such estimates as forecasted revenues and costs, development timelines, discount rates and probabilities of regulatory and commercial success. We also apply significant judgment when evaluating whether contractual obligations represent distinct performance obligations, allocating transaction price to performance obligations within a contract, determining when performance obligations have been met, assessing the recognition and future reversal of variable consideration and determining and applying appropriate methods of measuring progress for performance obligations satisfied over time.

Going concern

Through June 30, 2024, the Company has funded its operations with proceeds from sales of equity, collaboration and licensing agreements, government grants and borrowings under various agreements. Since its inception, the Company has incurred net losses. The Dutch Research and Development Act (WBSO) provides compensation for a part of research and development wages and other costs through a reduction in payroll taxes. WBSO grant amounts are offset against wages and salaries and included in research and development expenses in the condensed consolidated interim statements of loss and comprehensive loss.

As of June 30, 2024, the Company had an accumulated deficit of \$156.7 million. The Company expects to continue to generate operating losses in the foreseeable future. The Company expects that its cash, cash equivalents and investments of \$86.8 million as of June 30, 2024, will be sufficient to fund its operating expenses and capital expenditure requirements for at least 12 months following the issuance of these condensed consolidated interim financial statements. Accordingly, the condensed consolidated interim financial statements have been prepared on a going-concern basis.

Until we can generate sufficient product revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. Disruptions in the financial markets, in general, may make equity and debt financing more difficult to obtain and may have a material adverse effect on our ability to meet our fundraising needs. If we are unable to obtain sufficient funding in a timely manner or on commercially acceptable terms, we may have to delay, reduce the scope of, or eliminate one or more of our operating activities and consider other cost-reduction initiatives, such as downsizing our operations or withholding initiation or expansion of clinical trials

or research. In addition, in the event we are not able to generate sufficient funds, we may be unable to continue as a going concern, and our business, financial condition and/or results of operations could be materially and adversely affected and could reduce the price of our common shares and we may ultimately go into insolvency. In addition, any perceived or actual inability by us to finance our clinical development activities and other business activities may cause the market price of our common shares to decline.

Cash and cash equivalents

Cash and cash equivalents in the condensed consolidated interim statements of financial position are comprised of cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Our cash and cash equivalents are held in multiple currencies, primarily in the Euro and United States (U.S.) dollar. Accordingly, our cash balances may be exposed to foreign currency exchange risk.

For the purposes of the condensed consolidated interim statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

Investments

As of June 30, 2024, we have determined that we have the intent and ability to hold all investments in debt securities until maturity. Accordingly, all investments are recorded at amortized cost on our condensed consolidated interim statements of financial position, with the amortization of bond premiums or discounts and earned interest income recorded in our condensed consolidated interim statements of loss and other comprehensive loss.

Financial instruments

(i) Financial assets

The Company's financial assets are comprised of cash and cash equivalents, investments, trade and other receivables, security deposits, other current and non-current assets. All financial assets are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset, and follow its business model of standard working capital purposes. These financial assets are subsequently measured at amortized cost, which in general, approximates to the fair value. Purchases and sales of financial assets are recognized on the settlement date; the date that the Company receives or delivers the asset. The Company classifies its financial assets primarily as cash and cash equivalents and receivables. Receivables are non-derivative financial assets, with fixed or determinable payments that are not quoted in an active market. They are included in current assets.

Financial assets are derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full.

(ii) Financial liabilities

The Company's financial liabilities are comprised of trade and other payables, lease liabilities, and borrowings. All financial liabilities are recognized initially at fair value, adjusted for transaction costs.

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest method, minus transaction costs that are directly attributable to the financial liability. The effective interest method amortization is included in finance costs in the condensed consolidated interim statements of loss and other comprehensive loss.

Payables and borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are derecognized when the obligation under the liability is discharged, canceled, or expires.

(iii) **Fair value measurements**

The Company does not hold any financial assets and financial liabilities other than those measured at amortized cost, as its business model is such that the Company has the intent to hold these instruments for the sole purpose of collecting contractual cash flows, and the contractual terms give rise to cash flows that are solely for payments of principal and interest. Management assessed that the carrying values of the Company's financial assets and financial liabilities measured at amortized cost are a reasonable approximation of their fair values.

Note 3—Material Accounting Judgments, Estimates and Assumptions

In the application of our accounting policies, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments made in the process of applying our accounting policies which have the most significant effect on the amounts recognized in our unaudited condensed consolidated interim financial statements relate to revenue recognition, share-based payments, accruals for clinical trial expenses, lease accounting, and to our research and license agreements.

The key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, primarily relate to recognition of accruals for manufacturing and clinical trial activities. No material adjustments to accruals have been recognized during the first six months of 2024 or 2023, due to conditions that existed as of December 31, 2023 or 2022, respectively. Additionally, there have been no changes to the application of significant accounting estimates, and no impairment losses have been recognized during the first six months of 2024 or 2023.

New standards, interpretations and amendments

There were no new standards, interpretations, or amendments that became effective in the current reporting period which had an impact on the unaudited condensed consolidated interim financial statements.

The unaudited condensed consolidated interim financial statements do not include all disclosures for material accounting judgments, estimates and assumptions that are required in the annual consolidated financial statements and should be read in conjunction with the Company's audited consolidated financial statements as of, and for the years ended, December 31, 2023 and 2022.

Note 4—Equity

The share capital of LAVA Therapeutics N.V. consisted of 26,297,322 issued and outstanding common shares at a nominal value of \$0.14 per share as of June 30, 2024.

Note 5—Revenue and cost of sales

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Pfizer Inc. - Pfizer Agreement - Milestones	\$ —	\$ —	\$ 6,960	\$ —
Pfizer Inc. - Pfizer Agreement - Other activities	—	2,397	24	3,395
Pfizer Inc. - Additional services	—	252	8	478
Jansen Biotech Inc. - Janssen Agreement - Milestones	—	2,490	—	2,490
	<u>\$ —</u>	<u>\$ 5,139</u>	<u>\$ 6,992</u>	<u>\$ 6,363</u>

Pfizer Agreement

In September 2022, the Company entered the Pfizer Agreement to develop, manufacture and commercialize EGFRd2 (PF-08046052/formerly LAVA-1223), an advanced preclinical asset that utilizes LAVA's proprietary Gammabody technology to target EGFR-expressing solid tumors. Under the terms of the Pfizer agreement, it received a \$50.0 million nonrefundable upfront payment in October 2022 and could receive up to approximately \$650.0 million in potential development, regulatory and commercial milestones, and royalties ranging from high single-digit to mid-teen percentages on future sales. The Pfizer agreement also provided Pfizer with the opportunity to exclusively negotiate rights to apply our proprietary Gammabody platform on up to two additional tumor targets, which rights have expired. In March 2024, Pfizer achieved a clinical development milestone for EGFRd2 (PF-08046052), resulting in the first milestone payment of \$7 million to the Company under the Pfizer Agreement. This payment was recognized as milestone revenue during the six months ended June 30, 2024.

The Company is entitled to receive tiered royalties based on commercial sales levels from high single-digit to mid-teen percentages of net sales of licensed products. Pfizer has also granted it a one-time option to obtain increased royalties if it exercises a buy-up option within a certain amount of time from certain key early clinical data becoming available for the first licensed product. The Company has a specified period of time after notice of such buy-up option to pay Pfizer a one-time fee of \$35.0 million (buy-up fee). In the event the Company exercises the buy-up option and pays the buy-up fee, it is entitled to receive increased future royalty percentages to a range of low double-digit to high teen percentages on future sales, and certain future milestones will be decreased by 30%. The deferred revenue balance related to the buy-up option is considered as a monetary item.

Royalties are payable on a licensed product-by-licensed product and country-by-country basis beginning with the first commercial sale of such licensed product in such country of sale and expiring ten years after such sale, subject to specified and capped reductions for the market entry of biosimilar products, loss of patent coverage of licensed products, and for payments owed to third parties for additional rights necessary to commercialize licensed products in the territory.

Under the Pfizer Agreement, the Company is also entitled to receive reimbursement of up to \$6.5 million for certain agreed to research, manufacturing and supply activities, as well as the transfer of all manufacturing-related know-how and materials, including all CMC documentation, data and processes, to enable the manufacture of licensed compounds and products by Pfizer. During the three months ended June 30, 2024, the Company did not recognize revenue under the Pfizer Agreement.

The Company determined that the Pfizer Agreement and the research, manufacturing and supply activities and materials transfer fall within the scope of IFRS 15, Revenue from Contracts with Customers (IFRS 15). In calculating the transaction price, it determined the following four performance obligations under the agreement: (i) provide exclusive license; (ii) provide manufacturing technology transfer activities; (iii) provide initial drug supply; and (iv) research activities, including data and support for regulatory submission.

The Company allocated the transaction price to the performance obligations as of June 30, 2024 and 2023 as follows:

(in thousands)	Transaction Price	Revenue Recognized for the quarter ended June 30, 2024	Revenue Recognized for the six months ended June 30, 2024	Cumulative Revenue Recognized as of June 30, 2024
License	\$ 50,000	\$ —	\$ —	\$ 15,165
Manufacturing technology transfer activities	2,167	—	24	2,296
Initial supply	3,583	—	—	3,443
Research activities	750	—	—	687
Buy-up fee (*)	(35,000)	—	—	—
	\$ 21,500	\$ —	\$ 24	\$ 21,591

(*) Buy-up fee remains deferred until option expires or is exercised

(in thousands)	Transaction Price	Revenue Recognized for the quarter ended June 30, 2023	Revenue Recognized for the six months ended June 30, 2023	Cumulative Revenue Recognized as of June 30, 2023
License	\$ 50,000	\$ —	\$ —	\$ 15,165
Manufacturing technology transfer activities	2,167	37	100	2,173
Initial supply	3,583	2,350	3,274	3,274
Research activities	750	10	21	684
Buy-up fee (*)	(35,000)	—	—	—
	\$ 21,500	\$ 2,397	\$ 3,395	\$ 21,296

(*) Buy-up fee remains deferred until option expires or is exercised

For the six months ended June 30, 2023, revenue primarily relates to the initial drug supply provided to Pfizer. Of the initial supply revenue of \$3.3 million recognized during the six months ended June 30, 2023, \$0.8 million related to services provided in relation to stability studies, and \$2.5 million related to the cost of drug supply provided to Pfizer.

Janssen Agreement

Milestone payment

No milestone revenue was recognized in the three and six months ended June 30, 2024 under the Janssen Agreement. In May 2023, a milestone payment of \$2.5 million from Janssen was triggered under the terms of the Janssen Agreement following the selection of a candidate novel bispecific antibody to engage gamma-delta T cells to an undisclosed tumor associated antigen for the treatment of cancer. Efforts are underway to advance the candidate towards the clinic. This milestone payment was recognized as revenue in the three months ended June 30, 2023 and the payment of the \$2.5 million milestone was received in July 2023.

Note 6—Research and Development Expenses

Research and development expenses were as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Pre-clinical and clinical trial expenses	\$ 3,711	\$ 9,086	\$ 7,114	\$ 15,643
Personnel-related expenses	1,366	1,877	2,526	3,584
Research and development activities expenses	645	463	1,346	972
Facilities and other research and development expenses	340	526	642	1,220
Share-based compensation expense	274	647	717	1,123
	<u>\$ 6,336</u>	<u>\$ 12,599</u>	<u>\$ 12,345</u>	<u>\$ 22,542</u>

Note 7—General and Administrative Expenses

General and administrative expenses were as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Personnel-related expenses	\$ 1,003	\$ 1,125	\$ 1,961	\$ 2,190
Professional and consultant fees	882	1,002	1,564	1,780
Insurance, facilities, fees and other related costs	593	657	1,236	1,551
Share-based compensation expense	547	913	1,199	2,066
	<u>\$ 3,025</u>	<u>\$ 3,697</u>	<u>\$ 5,960</u>	<u>\$ 7,587</u>

Note 8—Share-based Awards

As of March 25, 2021, the 2018 Stock Option Plan and the 2020 U.S. Stock Option Plan ceased to have any future shares available, and the Company established the 2021 Long-Term Incentive Option Plan (the Plan) for all its employees, members of the Board of Directors and select external consultants.

Stock Options

There were 6,647,880 stock options outstanding as of June 30, 2024, at a weighted average exercise price of \$3.31 per share. During the three months ended June 30, 2024, no options were granted. During the three months ended June 30, 2024, 5,135 stock options were exercised and 89,051 stock options were forfeited at a weighted-average exercise price of \$3.13 and \$2.83 per share, respectively.

Total compensation cost recognized for all stock option awards was as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development	\$ 274	\$ 647	\$ 717	\$ 1,124
General and administrative	547	913	1,199	2,066
	<u>\$ 821</u>	<u>\$ 1,560</u>	<u>\$ 1,916</u>	<u>\$ 3,190</u>

During the three months ended June 30, 2024, the Company transferred \$0.1 million from the equity settled employee benefits reserve to accumulated deficit as a result of forfeited vested options. For these

forfeited vested options there is no longer a requirement for a legal reserve as there are no limitations for distribution within equity.

The fair value of the share options has been measured using the Black-Scholes model. The assumptions used in the measurement of the fair values and the weighted average of the share options granted during the six months ended June 30, 2024:

	June 30, 2024
	NL & US
Expected annual average volatility	91.0%
Expected life, years	6.08
Fair value of the share options	\$ 1.22 - 1.57
Exercise price	\$ 1.58 - 2.03
Dividend yield	—
Risk-free interest rate	4.07% - 4.34%
Weighted average grant date fair value	\$ 1.23

The Company estimates volatility based on the historical volatility of its peer group. The unrecognized remaining stock-based compensation balance for shares issued from all option plans was approximately \$3.1 million as of June 30, 2024, which is expected to amortize over a weighted-average 0.83 years.

Note 9—Investments

Our investments in debt securities consist of investments in U.S. Treasury securities, with maturities ranging from three to six months. All of these investments are classified as held to maturity and recorded in current assets on our condensed consolidated interim statements of financial position at amortized cost. As of June 30, 2024, the carrying value of our investments was \$51.7 million, which approximates fair value. Given the high-quality ratings of these investments in debt securities, the Company has not recorded an allowance for credit losses as of June 30, 2024.

LAVA THERAPEUTICS, N.V.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following management's discussion and analysis of our financial condition and results of operations in conjunction with our unaudited condensed consolidated interim financial statements, including the notes thereto, included with this report, as well as our audited consolidated financial statements as of, and for the year ended, December 31, 2023, including the notes thereto, included in our annual report on Form 20-F, filed with the Securities and Exchange Commission on March 20, 2024. The following discussion is based on our financial information prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting." Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) have been condensed or omitted. Throughout this management's discussion and analysis, "we," "us," "our," "LAVA," and the "Company" refer to LAVA Therapeutics N.V. and its consolidated subsidiaries, unless the context requires otherwise.

Special Note Regarding Forward-Looking Statements

This management's discussion and analysis contains statements that constitute forward-looking statements. Many of the forward-looking statements contained in this management's discussion and analysis can be identified by the use of forward-looking words such as "anticipate," "believe," "could," "expect," "should," "plan," "intend," "estimate" and "potential," among others. Forward-looking statements appear in several places in this management's discussion and analysis and include, but are not limited to, statements regarding our intent, belief or current expectations. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. Such statements are subject to risks and uncertainties, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various important factors, including, but not limited to, those identified under the section titled "Risk Factors" in our annual report on Form 20-F. Forward-looking statements include, but are not limited to, statements about:

- our operations as a biotechnology company with limited operating history and a history of operating losses;
 - our plans to develop and commercialize our current and future product candidates;
 - the initiation, timing, progress and results of our current and future preclinical studies and clinical trials and our research and development programs;
 - our ability to successfully acquire or in-license additional product candidates on reasonable terms;
 - our ability to maintain and establish collaborations or obtain additional funding;
 - our ability to obtain regulatory approval of our current and future product candidates;
 - our expectations regarding the potential market size and the rate and degree of market acceptance of our product candidates;
 - our continued reliance on third parties to conduct clinical trials of our product candidate and future product candidates and manufacture our development candidates for preclinical studies and clinical trials;
 - our ability to fund our working capital requirements and expectations regarding the sufficiency of our capital resources;
 - the implementation of our business model and strategic plans for our business and product candidates;
-

- our ability to establish sales, marketing and distribution capabilities;
- our ability to enter into and maintain collaborations with third parties for the development or commercialization of our product candidates;
- our intellectual property position and the duration of our patent rights;
- our estimates regarding expenses, future revenues, capital requirements and our needs for additional financing;
- the impact of government laws and regulations on our business;
- our need to hire additional personnel and our ability to attract and retain such personnel;
- our ability to compete in the markets we serve;
- developments relating to our competitors and our industry; and
- other risk factors discussed under “Risk Factors” in our annual report on Form 20-F.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events, except to the extent required by applicable law. In addition, there may be adverse effects on our business condition and results from rising interest rates, recent and potential future pandemics or other health crises, general economic and market conditions and overall fluctuations in the United States and international equity markets, including deteriorating market conditions due to investor concerns regarding inflation and international hostilities including the Russian invasion of Ukraine and the Israel-Hamas war.

Overview

We are a clinical stage immuno-oncology company focused on developing our proprietary Gammabody® platform of bispecific gamma delta (gd) T cell engagers to transform the treatment of cancer. Using our Gammabody platform, we are developing a portfolio of novel bispecific antibodies designed to engage and leverage the potency and precision of gd T cells to orchestrate a robust anti-tumor immune response and improve outcomes for cancer patients.

We were incorporated in February 2016 in the Netherlands and are currently headquartered in Utrecht, the Netherlands. In 2019, we established our wholly owned U.S. subsidiary, which began business in January 2020. We established a wholly owned Australian subsidiary in August 2024. We have not generated any revenue from the sale of products. Since inception, we have incurred losses. As of June 30, 2024, we had an accumulated deficit of \$156.7 million.

We will transition from foreign private issuer to U.S. domestic filer status beginning on January 1, 2025 and expect to incur increased costs associated with being a U.S. domestic filer, including expenses related to financial reporting, filing our annual report for the year ended December 31, 2024 on a Form 10-K, preparation of financial statements in accordance with US Generally Accepted Accounting Principles, compliance with U.S. federal proxy rules, and additional resources and services we will require in order to comply with Nasdaq and SEC rules and requirements applicable to U.S. domestic filers.

LAVA-1207

In 2022, we dosed the first patient in a first-in-human clinical trial evaluating LAVA-1207 in patients with metastatic castration-resistant prostate cancer (mCRPC). The open-label, multi-center, Phase 1/2a clinical trial evaluates safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity and preliminary anti-tumor activity of LAVA-1207. The Phase 1 dose-escalation phase is designed to determine recommended Phase 2a dose(s) for optimization in Phase 2a. Once recommended Phase 2a dose(s) have been established, the trial will expand into the Phase 2a portion to confirm safety and evaluate the preliminary anti-tumor activity of LAVA-1207 in patients with mCRPC. Enrollment for the Phase 1/2a clinical trial for LAVA-1207 is ongoing and as of the date of this report, we have nine clinical trial sites open to enrollment in Europe and the United States.

In February 2023, at the American Society of Clinical Oncology Genitourinary Cancers Symposium (ASCO GU), we reported clinical data for the ongoing Phase 1/2a clinical trial of LAVA-1207. For the first five cohorts, these initial data demonstrated predictable and linear pharmacokinetics and on-mechanism pharmacodynamics and a favorable safety profile. Preliminary signs of anti-tumor activity were observed at week 8, with iRECIST stable disease (iSD) in 8 out of 14 evaluable patients and PSA levels stabilizing or decreasing in several patients. iRECIST is the immune response evaluation criteria in solid tumors, a set of published rules that define whether tumors in cancer patients have improved, stayed the same or worsened during treatment.

Currently, LAVA-1207 is enrolling dose level twelve in the EU and the United States. With the goal of maintaining low rates of CRS and minimizing the risk of CRS events >grade 2, we have introduced premedication and step-dosing to the protocol. As of the date of this quarterly report and since the initiation of step dosing, no CRS events \geq grade 2 have been reported.

In June 2023, we introduced cohorts of patients who would receive one of two schedules of low-dose interleukin-2 (LDIL-2) beginning the day after LAVA-1207 dosing for the first four doses. LDIL-2 has the potential to increase the number of V γ 9V δ 2-T cells available for engagement by LAVA-1207. Three DLTs were reported in patients receiving LDIL-2 in addition to LAVA-1207 in cohort 7A2, a cohort with multiple doses of LDIL-2 per cycle but without step-dosing. Since then we have confirmed safety of step dosing with the second LDIL-2 schedule and therefore plan to continue to explore treatment of cohort 7A2 with step-dosing.

In January 2024, we entered into a clinical trial collaboration and supply agreement with Merck & Co., Inc. to evaluate its anti-PD-1 therapy KEYTRUDA® (pembrolizumab) in combination with LAVA-1207. Under the terms of this agreement, we have been provided with pembrolizumab for the dose escalation and expansion phases of LAVA's ongoing Phase 1/2a study of LAVA-1207 (NCT05369000) (KEYNOTE-F73). In Q2 2024, we initiated dosing in the pembrolizumab combination arm and have treated our first patients.

We plan to provide new data for LAVA-1207 at an upcoming medical conference in the second half of 2024.

LAVA-1266

LAVA-1266 is designed to target CD123+ tumor cells for the treatment of hematological malignancies, including acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS). LAVA is planning to initiate a Phase 1 trial of LAVA-1266 by year end 2024 in Australia. The benefits of initiating a first-in-human study in Australia are streamlined study start-up and enrollment process, potential lower cost structure and the availability of R&D tax credit from the Australian tax authority.

PF-08046052 (formerly LAVA-1223)

In 2022, we entered into an exclusive worldwide license agreement with Pfizer, Inc. (Pfizer Agreement) to develop, manufacture and commercialize PF-08046052, an advanced preclinical asset that utilizes our proprietary Gammabody technology to target epidermal growth factor receptor (EGFR)-expressing solid tumors. Under the terms of the Pfizer Agreement, we received a \$50 million nonrefundable upfront payment in October 2022 and are eligible to receive up to approximately \$650 million upon the achievement of development, regulatory and commercial milestones, as well as royalties ranging from the single digits to the mid-teens on future sales. The Pfizer Agreement also provided Pfizer with the opportunity to exclusively negotiate rights to apply our proprietary Gammabody™ platform on up to two additional tumor targets, which Pfizer did not exercise. In 2023, we entered into a supply agreement with Pfizer to fulfill part of our obligations under the Pfizer Agreement and began shipping investigational drug supply to Pfizer in March 2023. As of September 30, 2023, all initial drug supply was shipped to Pfizer. In 2023, Pfizer received investigational new drug application clearance for PF-08046052 in advanced solid tumors from the FDA and initiated a Phase 1 trial (NCT0598133) of PF-08046052 to evaluate the safety and tolerability of this molecule as a monotherapy in advanced EGFR expressing solid tumors. In March 2024, Pfizer paid us \$7 million for achieving a clinical development milestone.

Comparison of the Three Months Ended June 30, 2024 and 2023 (unaudited):**Revenue from contracts with customers**

Our revenue from contracts with customers was zero and \$5.1 million for the three months ended June 30, 2024 and 2023, respectively.

In connection with the Pfizer Agreement, we recognized \$2.6 million in revenue for the three months ended June 30, 2023, related to reimbursement for research activities and delivery of initial supply. In connection with the Janssen Agreement, we recognized \$2.5 million in revenue for the three months ended June 30, 2023, related to a triggered milestone payment.

Cost of sales of goods and providing services

Our cost of sales of goods and providing services was zero and \$2.4 million for the three months ended June 30, 2024 and 2023, respectively. This amount for the three months ended June 30, 2023, primarily related to costs of product materials under the supply agreement with Pfizer.

Research and development expenses

Below were our research and development expenses:

(in thousands)	Three Months Ended June 30,		Variance
	2024	2023	
Pre-clinical and clinical trial expenses	\$ 3,711	\$ 9,086	\$ (5,375)
Personnel-related expenses	1,366	1,877	(511)
Research and development activities expenses	645	463	182
Facilities and other research and development expenses	340	526	(186)
Share-based compensation expense	274	647	(373)
	<u>\$ 6,336</u>	<u>\$ 12,599</u>	<u>\$ (6,263)</u>

Research and development expenses were \$6.3 million for the three months ended June 30, 2024, compared to \$12.6 million for the three months ended June 30, 2023. Pre-clinical and clinical trial expenses decreased by \$5.4 million, primarily due to reduced manufacturing scale-up costs and reduced activities of the clinical trials as a result of the discontinuation of LAVA-051, announced in June 2023, and includes \$1.4 million in expenses in the three months ended June 30, 2023 for discontinuation of our clinical trial, contract manufacturing and bioanalytical activities of LAVA-051. Personnel-related expenses and non-cash share-based compensation expenses decreased by \$0.5 million and \$0.4 million, respectively, primarily due to research and development headcount reductions which occurred in the second half of 2023. Facilities and other research and development expenses decreased by \$0.2 million primarily due to reduced office and laboratory leases and related costs. Research and development activity expenses increased by \$0.2 million, primarily due to increased patent costs.

General and administrative expenses

Below were our general and administrative expenses:

(in thousands)	Three Months Ended June 30,		Variance
	2024	2023	
Personnel-related expenses	\$ 1,003	\$ 1,125	\$ (122)
Professional and consultant fees	882	1,002	(120)
Insurance, facilities, fees and other related costs	593	657	(64)
Share-based compensation expense	547	913	(366)
	<u>\$ 3,025</u>	<u>\$ 3,697</u>	<u>\$ (672)</u>

General and administrative expenses were \$3.0 million for the three months ended June 30, 2024, compared to \$3.7 million for the three months ended June 30, 2023. Non-cash share-based compensation expenses and personnel-related expenses decreased by \$0.4 million and \$0.1 million, respectively, primarily due to a reduction in general and administrative headcount, which occurred in the second half of 2023. Professional and consultant fees decreased by \$0.1 million, primarily due to lower legal fees. Insurance, facilities, fees and other related costs decreased by \$0.1 million, primarily due to reduced directors and officers insurance premiums and reduced office lease costs.

Interest income, net

Interest income, net was \$0.8 million for the three months ended June 30, 2024, compared to \$0.7 million for the three months ended June 30, 2023. The increase in interest income was primarily due to higher interest yields on our investments in 2024. Interest income, net includes interest income from investments, net of interest on borrowings associated with our Innovation Credit from *Rijksdienst voor Ondernemend Nederland* and lease interest expense.

Foreign currency exchange gain (loss), net

For the three months ended June 30, 2024 and 2023, foreign currency exchange gain increased by \$0.1 million, from a gain of \$0.2 million during the three months ended June 30, 2023 to a gain of \$0.3 million during the three months ended June 30, 2024. This increased gain was due to the impact of the fluctuation of the USD currency rate compared to the Euro on transaction gains and losses on cash and investments and other transactions denominated in USD held and occurring in the Euro functional currency entity.

Comparison of the Six Months Ended June 30, 2024 and 2023 (unaudited):

Revenue from contracts with customers

Our revenue from contracts with customers was \$7.0 million and \$6.4 million for the six months ended June 30, 2024 and 2023, respectively. In connection with the Pfizer Agreement, we recognized \$7.0 million in revenue for the six months ended June 30, 2024, primarily related to the achievement by Pfizer of a clinical development milestone for PF-08046052.

In connection with the Pfizer Agreement, we recognized \$3.9 million in revenue for the six months ended June 30, 2023, related to reimbursement for research activities and delivery of initial supply. In connection with the Janssen Agreement, we recognized \$2.5 million in revenue for the six months ended June 30, 2023, related to a triggered milestone payment.

Cost of providing services and sales of goods

Our cost of providing services and sales of goods was zero and \$3.3 million for the six months ended June 30, 2024 and 2023, respectively. The \$3.3 million for the six months ended June 30, 2023 related to the cost of the initial supply delivery and related stability studies. Of this amount \$0.8 million related to costs of services related to stability studies for the product materials and \$2.5 million related to costs of product materials.

Research and development expenses

Below were our research and development expenses:

(in thousands)	For the Six Months Ended June 30,		
	2024	2023	Variance
Pre-clinical and clinical trial expenses	\$ 7,114	\$ 15,643	\$ (8,529)
Personnel-related expenses	2,526	3,584	(1,058)
Research and development activities expenses	1,346	972	374
Share-based compensation expense	717	1,123	(406)
Facilities and other research and development expenses	642	1,220	(578)
	\$ 12,345	\$ 22,542	\$ (10,197)

Research and development expenses were \$12.3 million for the six months ended June 30, 2024, compared to \$22.5 million for the six months ended June 30, 2023. Pre-clinical and clinical trial expenses decreased by \$8.5 million, primarily due to reduced manufacturing scale-up costs and reduced activities of the clinical trials as a result of the discontinuation of LAVA-051, announced in June 2023, and includes \$1.4 million in expenses in the six months ended June 30, 2023 for discontinuation of our clinical trial, contract manufacturing and bioanalytical activities of LAVA-051. Personnel-related expenses and non-cash share-based compensation expenses decreased by \$1.1 million and \$0.4 million, respectively, primarily due to research and development headcount reductions which occurred in the second half of 2023. Facilities and other research and development expenses decreased by \$0.6 million primarily due to reduced office and laboratory leases and related costs. Research and development activity expenses increased by \$0.4 million, primarily due to increased patent costs.

General and administrative expenses

Below were our general and administrative expenses:

(in thousands)	For the Six Months Ended June 30,		
	2024	2023	Variance
Personnel-related expenses	\$ 1,961	\$ 2,190	\$ (229)
Professional and consultant fees	1,564	1,780	(216)
Insurance, facilities, fees and other related costs	1,236	1,551	(315)
Share-based compensation expense	1,199	2,066	(867)
	\$ 5,960	\$ 7,587	\$ (1,627)

General and administrative expenses were \$6.0 million for the six months ended June 30, 2024, compared to \$7.6 million for the three months ended June 30, 2023. Non-cash share-based compensation expenses and personnel-related expenses decreased by \$0.9 million and \$0.2 million, respectively, primarily due to a reduction in general and administrative headcount, which occurred in the second half of 2023. Insurance, facilities, fees and other related costs decreased by \$0.3 million, primarily due to reduced directors and officers insurance premiums and reduced office lease costs. Professional and consultant fees decreased by \$0.2 million, primarily due to lower legal fees.

Interest income, net

Interest income, net was \$1.6 million for the six months ended June 30, 2024, compared to \$1.3 million for the six months ended June 30, 2023. The increase in interest income was primarily due to higher interest yields on our investments in 2024. Interest income, net includes interest income from investments, net of interest on borrowings associated with our Innovation Credit from *Rijksdienst voor Ondernemend Nederland* and lease interest.

Foreign currency exchange gain (loss), net

For the six months ended June 30, 2024 and 2023, foreign currency exchange gain (loss), net increased by \$1.7 million, from a loss of \$0.7 million during the six months ended June 30, 2023 to a gain of \$1.0 million during the six months ended June 30, 2024. This increase was due to the impact of the fluctuation of the USD currency rate compared to the Euro on transaction gains and losses on cash and investments and other transactions denominated in USD held and occurring in the Euro functional currency entity.

Liquidity and Capital Resources

As of June 30, 2024, we had cash, cash equivalents and investments totaling \$86.8 million, compared to cash, cash equivalents and investments of \$95.6 million as of December 31, 2023. We have historically funded our operations primarily through the issuance of preference shares prior to our IPO and from the sale of common shares in our IPO in March 2021, and proceeds from the Pfizer Agreement and Janssen Agreement. Our expenditures are primarily related to research and development activities and general and administrative activities to support business operations.

In April 2022, we entered into an Equity Distribution Agreement (EDA) with JMP Securities LLC (JMP) under which JMP, as our exclusive agent, at our discretion and at such times that we may determine from time to time, may sell over a three-year period from the execution of the agreement up to a maximum of \$50 million of shares of our common stock. We have not sold any of our common shares under the EDA to date.

In September 2022, we entered into the Pfizer Agreement for the development, manufacture and commercialization of PF-08046052 (formerly LAVA-1223), an advanced preclinical asset that utilizes LAVA's proprietary Gammabody technology to target EGFR-expressing solid tumors. Under the terms of the agreement, we received a \$50 million nonrefundable upfront payment in October 2022. In March 2024, we received a milestone payment of \$7.0 million from Pfizer following the achievement of a clinical milestone for PF-08046052.

Cash and cash equivalents, and short-term marketable securities are financial instruments that potentially subject the Company to concentrations of credit risk. As of June 30, 2024 and December 31, 2023, cash consisted of cash deposited with three financial institutions; account balances exceeded federally insured limits.

Based on our current operating plan, we believe that our existing cash, cash equivalents and investments as of June 30, 2024 are sufficient to meet our projected cash requirements for at least 12 months from the date of this report. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned. Our future funding requirements will depend on many factors, including, but not limited to, our ability to:

- continue the ongoing and planned development of our product candidates, including LAVA-1207 and LAVA-1266;
 - initiate, conduct and complete any ongoing, anticipated or future preclinical studies and clinical trials for our current and future product candidates;
 - develop processes and scale manufacturing production for our current and future product candidates in accordance with cGMP;
 - seek regulatory and marketing approvals for LAVA-1207 and any of our other development candidates that successfully complete clinical trials;
 - discover and develop additional bispecific gd engagers and make further investments in our Gammabody platform to identify additional product candidates;
-

- maintain, protect and expand our intellectual property portfolio; including costs associated with opposing and invalidating competitor patents and licensing other technologies for our product candidates;
- establish a sales, marketing, manufacturing and distribution, supply chain and other commercial infrastructure in the future to commercialize any current or future product candidate for which we may obtain marketing approval;
- expand our operations in the United States, Europe and Australia;
- add clinical, scientific, operational, financial and management information systems and personnel, including personnel to support our product development and planned future commercialization efforts;
- acquire or in-license additional product candidates and technologies;
- develop a potential companion diagnostic;
- incur additional legal, accounting and other expenses associated with the transition from foreign private issuer to U.S. domestic filer;
- address any events outside of our control, including, but not limited to, outbreaks of infectious diseases; and
- face general economic and market conditions and overall fluctuations in the United States and international equity markets, such as deteriorating conditions due to investor concerns regarding inflation and the Russian invasion of Ukraine, the Israel-Hamas war and other geopolitical conditions.

Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, scale back or cease our research and development activities, preclinical studies and clinical trials for our product candidates and our establishment and maintenance of sales and marketing capabilities or other activities that may be necessary to commercialize our product candidates.

The following is a summary of our cash flows:

(in thousands)	For the Six Months Ended	
	June 30,	
	2024	2023
Net cash used in operating activities	\$ (9,509)	\$ (21,400)
Net cash provided by investing activities	1,057	7,901
Net cash provided by (used in) financing activities	5	(254)
Net decrease in cash and cash equivalents	<u>\$ (8,447)</u>	<u>\$ (13,753)</u>

Cash Flows Used in Operating Activities

Net cash used in operating activities for the six months ended June 30, 2024 was \$9.5 million compared to \$21.4 million for the six months ended June 30, 2023. During the six months ended June 30, 2024, we incurred net losses of \$8.7 million and had \$1.3 million amortization of premium on investments, \$1.0 million foreign currency exchange gains and changes in working capital of \$0.7 million, primarily offset by noncash share-based compensation expenses of \$1.9 million. During the six months ended June 30, 2023, we incurred net losses of \$26.5 million and had \$0.9 million amortization of premium on investments, primarily offset by noncash share-based compensation expenses of \$3.2 million, foreign currency exchange losses of \$0.7 million and changes in working capital of \$1.6 million. The reduction in net losses in the six months ended June 30, 2024 compared to 2023, was largely due to the receipt of the clinical milestone of \$7.0 million from Pfizer in 2024, reduced research and development expenses as a result of the discontinuation of LAVA-051, announced in June 2023, reduced general and administrative expenses and increased foreign currency exchange gains.

Cash Flows Provided by Investing Activities

Cash flows provided by investing activities for the six months ended June 30, 2024 were \$1.1 million and primarily consisted of \$57.0 million of investments matured, offset by \$56.0 million purchases of investments. Cash flows provided by investing activities for the six months ended June 30, 2023 were \$7.9 million and primarily consisted of \$33.2 million on investments matured, offset by \$24.6 million purchases of investments and \$0.7 million of equipment purchases.

Cash Flows Provided by (used in) Financing Activities

Cash flows provided by financing activities for the six months ended June 30, 2024 were close to zero and consisted of \$0.3 million in principal payments on operating lease liabilities, offset by \$0.3 million in proceeds from Innovation Credit borrowings. Cash flows used in financing activities for the six months ended June 30, 2023, were \$0.3 million and consisted of \$0.5 million in principal payments on operating lease liabilities, offset by \$0.2 million in proceeds from Innovation Credit borrowings.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements or any holdings in variable interest entities.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to a variety of risks in the ordinary course of our business, including, but not limited to, foreign currency risk and interest rate risk. We regularly assess each of these risks to minimize any adverse effects on our business as a result of those factors.

Foreign Currency Risk

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD. We have received payments in USD under our collaborations, and the proceeds from our initial public offering in March 2021 were in USD and we execute some transactions in USD. As a result, we are exposed to volatility in the condensed consolidated interim statements of profit and loss related to USD amounts and transactions occurring in a Euro-functional entity, the impacts of which we have disclosed above. We regularly assess our foreign currency risk, maintain cash positions in the currencies in which we expect to incur the majority of our future expenses and may engage in hedging activities consistent with our investment policy to minimize this risk and preserve our capital.

Interest Rate Risk

We have interest-bearing debt with third parties. In addition, while we have no derivatives or financial assets and liabilities measured at fair value, our exposure to interest rate risk primarily relates to the interest rates for our positions of cash and cash equivalents, including short-term marketable securities. Our future interest income from interest-bearing bank deposits and short-term investments may fall short of expectations due to changes in interest rates. We do not consider the effects of interest rate fluctuations to be a material risk to our financial position.

We have adopted an investment policy with the primary purpose of preserving capital, fulfilling our liquidity needs and diversifying the risks associated with cash and marketable securities. This investment policy establishes minimum ratings for institutions with which we hold cash, cash equivalents and marketable securities, as well as rating and concentration limits for marketable securities that we may hold.

Credit Risk

We consider all of our material counterparties to be creditworthy. While the concentration of credit risk may be significant, we consider the credit risk for each of our counterparts to be low. Our exposure to credit risk primarily relates to our cash and cash equivalents, comprising bank deposits and short-term

marketable securities with a maturity of six months or less at the date of acquisition. The credit risk on bank deposits is limited because the counterparties holding significant deposits are banks with high credit ratings assigned by international credit-rating agencies. Our banks are reviewed on a regular basis, and our deposits may be transferred during the year to mitigate credit risk. We have considered the risk of expected credit loss on our cash deposits, including the hypothetical impact arising from the probability of default, considering in conjunction with the expected loss given default from banks with similar credit ratings and attributes. In line with previous periods, our assessment did not reveal a material impairment loss, and accordingly, no provision for expected credit loss has been made. We hold a portion of our bank deposits in a money market fund invested in short-term U.S. Treasury securities to further diversify the credit risk.

For other financial assets, including deposits and receivables, we consider the credit risk to be low and no provision for expected credit loss has been made.

Liquidity Risk

We manage our liquidity risk by maintaining adequate cash reserves and banking facilities, continuously monitoring our cash forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities. We monitor the risk of a shortage of funds using a liquidity planning tool to ensure enough funds are available to settle liabilities as they fall due.

Historically we have addressed the risk of insufficient funds through the proceeds from our Series C financing and our IPO in March 2021, and research and license agreements with strategic partners.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the unaudited condensed consolidated interim financial statements are disclosed in Note 3 to our condensed consolidated interim financial statements. The interim financial data as of June 30, 2024 and 2023 are unaudited. In the opinion of management, the interim financial data includes all adjustments, consisting only of normal recurring adjustments, necessary to a fair statement of the results for the interim periods.

RISK FACTORS

The risk factors set forth under the caption "Risk Factors" in Item 3 of our annual report on Form 20-F filed by the Company on March 20, 2024 shall be deemed to be incorporated by reference herein and to be a part hereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also affect its business, financial condition and/or future operating results.

LAVA Reports Second Quarter 2024 Financial Results and Business Update

- Continued progress in Phase 1/2a dose escalation for LAVA-1207, including the monotherapy arm, now enrolling in dose level 12, and the pembrolizumab combination
- Favorable safety profile for LAVA-1207
- Next data update for LAVA-1207 program expected in Q4 2024
- Strong balance sheet with cash of \$86.8 million supports runway into mid-2026

Utrecht, The Netherlands, and Philadelphia, PA, US – August 20, 2024 – [LAVA Therapeutics N.V.](#) (NASDAQ: LVTX, “LAVA,” “the Company”), a clinical-stage immuno-oncology company focused on developing its proprietary Gammabody® platform of bispecific gamma delta T cell engagers, today announced financial results for the second quarter ended June 30, 2024 and provided an update on recent corporate highlights.

“LAVA has continued to make progress in the Phase 1/2a study for LAVA-1207, our lead Gammabody® product candidate in mCRPC. Patients in the Phase 1/2a study are being treated with LAVA-1207 monotherapy at dose level 12,” said Stephen Hurly, President and Chief Executive Officer of LAVA. “In Q2 2024, we initiated dosing in the pembrolizumab combination arm and have dosed our first patients. We expect to release the next data for LAVA-1207 at a medical meeting later this year. We are also excited to start our clinical trial for LAVA-1266 for AML/MDS later this year.”

Portfolio Highlights:

LAVA-1207 – In Phase 1/2a (NCT05369000) – Next update planned for Q4 2024

Designed to mediate potent killing of prostate-specific membrane antigen (PSMA)-positive metastatic castration-resistant prostate cancer (mCRPC) cells

- **Monotherapy Arm:** Enrolling in dose level 12 with no \geq Grade 2 Cytokine Release Syndrome (CRS) since the implementation of step-dosing in Q1 2024
- **KEYTRUDA® (pembrolizumab) Combination:** Initiated dosing in the LAVA-1207 + pembrolizumab dose-escalation arm (KEYNOTE-F73) to potentially enhance the anti-tumor activity of LAVA-1207. This arm also utilizes the established step-dosing regimen
- **Low Dose Interleukin-2 (IL-2, LDIL-2) Combination:** LDIL-2 is intended to potentially increase the number of $\gamma\delta$ T cells for engagement by LAVA-1207. Evaluation is underway

LAVA-1266 – Trial initiation activities underway

Designed to target CD123+ tumor cells for the treatment of hematological malignancies, including acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS)

- **Next Step:** Planning to initiate the Phase 1 trial of LAVA-1266 by year-end 2024 in Australia

Pfizer PF-08046052 – In Phase 1 (NCT05983133)

Potential first-in-class EGFR and bispecific gamma delta T cell-targeted therapy for solid tumors

- **Key Indications:** Include colorectal cancer (CRC), non-small cell lung cancer (NSCLC), head and neck squamous cell carcinoma (HNSCC) and pancreatic ductal adenocarcinoma (PDAC)
- **Current Status:** Monotherapy Phase 1 dose escalation study underway to evaluate the safety and tolerability in advanced EGFR-expressing solid tumors
- **Milestone:** Clinical development milestone of \$7 million received from Pfizer in Q1 2024

Johnson and Johnson Innovative Medicine Collaboration – In Research

Discovery and development of novel bispecific gamma delta T cell engager for the treatment of blood cancer

- **Current Status:** Lead candidate bispecific candidate antibody selected for development. Efforts are underway by Johnson and Johnson Innovative Medicine to advance candidate toward the clinic

Second Quarter 2024 Financial Results

We will transition from foreign private issuer to U.S. domestic filer status beginning on January 1, 2025 and expect to incur increased costs associated with being a U.S. domestic filer, including expenses related to financial reporting, preparation of financial statements in accordance with U.S. GAAP and compliance with U.S. federal proxy rules.

- As of June 30, 2024, LAVA had cash, cash equivalents and investments totaling \$86.8 million, compared to cash, cash equivalents and investments of \$95.6 million as of December 31, 2023. The Company believes its current cash, cash equivalents and investments will be sufficient to fund operations into mid-2026.
 - Revenue from contracts with customers was zero and \$5.1 million for the quarters ended June 30, 2024 and 2023, respectively, and \$7.0 million and \$6.4 million for the six months ended June 30, 2024 and 2023, respectively. Revenue of \$5.1 million for the quarter ended June 30, 2023 was comprised of \$2.6 million in revenue for reimbursement of research activities and delivery of initial supply in connection with the Pfizer Agreement, and \$2.5 million in revenue related to a triggered milestone payment in connection with the Janssen Agreement.
 - Cost of providing services and sales of goods was zero and \$2.4 million for the quarters ended June 30, 2024 and 2023, respectively, and zero and \$3.3 million for the six months ended June 30, 2024 and 2023, respectively. The cost in both periods of 2023 was primarily related to the cost of the initial supply delivery to Pfizer and related stability studies.
 - Research and development expenses were \$6.3 million and \$12.6 million for the quarters ended June 30, 2024 and 2023, respectively, and \$12.3 million and \$22.5 million for the six months ended June 30, 2024 and 2023, respectively. The decrease in both periods was primarily due to lower pre-clinical and clinical trial expenses due to the discontinuation of LAVA-051, announced in June 2023, and reduced personnel-related expenses due to a reduction in research and development headcount in the second half of 2023.
 - General and administrative expenses were \$3.0 million and \$3.7 million for the quarters ended June 30, 2024 and 2023, respectively, and \$6.0 million and \$7.6 million for the six months ended June 30, 2024 and 2023, respectively. The decrease in both periods was primarily due to lower non-cash share-based compensation expenses and personnel-related expenses due to a reduction in general and administrative headcount in the second half of 2023.
 - Net losses were \$8.3 million and \$12.7 million, or \$0.31 and \$0.48 net loss per share, for the quarters ended June 30, 2024 and 2023, respectively, and \$8.8 million and \$26.6 million, or \$0.33 and \$1.01 net loss per share, for the six months ended June 30, 2024 and 2023, respectively.
-

LAVA Therapeutics N.V.
Condensed Consolidated Interim Statements Loss
and Comprehensive Loss
(in thousands, except share and per share amounts) (unaudited)

	Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Revenue from contracts with customers	\$ —	\$ 5,139	\$ 6,992	\$ 6,363
Cost of sales of goods	—	(2,361)	—	(2,546)
Cost of providing services	—	(27)	—	(772)
Gross profit	—	2,751	6,992	3,045
Operating expenses:				
Research and development	(6,336)	(12,599)	(12,345)	(22,542)
General and administrative	(3,025)	(3,697)	(5,960)	(7,587)
Total operating expenses	(9,361)	(16,296)	(18,305)	(30,129)
Operating loss	(9,361)	(13,545)	(11,313)	(27,084)
Interest income, net	811	698	1,621	1,315
Foreign currency exchange gain (loss), net	339	244	997	(703)
Total non-operating income	1,150	942	2,618	612
Loss before income tax	(8,211)	(12,603)	(8,695)	(26,472)
Income tax expense	(85)	(97)	(154)	(168)
Loss for the period	\$ (8,296)	\$ (12,700)	\$ (8,849)	\$ (26,640)
Items that may be reclassified to profit or loss				
Foreign currency translation adjustment	(329)	(243)	(1,392)	1,303
Total comprehensive loss	\$ (8,625)	\$ (12,943)	\$ (10,241)	\$ (25,337)
Loss per share:				
Loss per share, basic and diluted	\$ (0.31)	\$ (0.48)	\$ (0.33)	\$ (1.01)
Weighted-average common shares outstanding, basic and diluted	26,822,139	26,289,087	26,805,793	26,289,087

LAVA Therapeutics N.V.
Condensed Consolidated Statements of Financial Position
(b in thousands) (unaudited)

	June 30, 2024	December 31, 2023
Assets		
Non-current assets:		
Property and equipment, net	\$ 1,230	\$ 1,602
Right-of-use assets	737	892
Other non-current assets and security deposits	144	319
Total non-current assets	2,111	2,813
Current assets:		
Receivables and other	582	1,459
Prepaid expenses and other current assets	2,223	1,627
VAT receivable	568	240
Investments	51,714	51,340
Cash and cash equivalents	35,086	44,231
Total current assets	90,173	98,897
Total assets	\$ 92,284	\$ 101,710
Equity and Liabilities		
Equity:		
Share capital	\$ 3,716	\$ 3,715
Equity-settled employee benefits reserve	13,729	12,005
Foreign currency translation reserve	(12,291)	(10,899)
Additional paid-in capital	194,448	194,424
Accumulated deficit	(156,724)	(148,067)
Total equity	42,878	51,178
Non-current liabilities:		
Deferred revenue	35,000	35,000
Lease liabilities	295	591
Total non-current liabilities	35,295	35,591
Current liabilities:		
Trade payables and other	4,161	4,446
Borrowings	5,383	5,282
Lease liabilities	485	440
Accrued expenses and other current liabilities	4,082	4,773
Total current liabilities	14,111	14,941
Total liabilities	49,406	50,532
Total equity and liabilities	\$ 92,284	\$ 101,710

About LAVA Therapeutics

LAVA Therapeutics N.V. is a clinical-stage immuno-oncology company focused on advancing its proprietary Gammabody® platform to develop a portfolio of bispecific gamma-delta T cell engagers for the potential treatment of solid tumors and hematologic malignancies. The Company utilizes bispecific antibodies engineered to selectively kill cancer cells by triggering Vγ9Vδ2 (Vgamma9 Vdelta2) T cell anti-tumor effector functions upon cross-linking to tumor-associated antigens.

A Phase 1/2a dose escalation study (NCT05369000) to evaluate the lead program, LAVA-1207, in patients with metastatic castration-resistant prostate cancer (mCRPC) is actively enrolling in Europe and the United States in a study evaluating monotherapy and with interleukin-2 (IL-2). The Company is expanding the Phase 1/2a study to include a combination arm with KEYTRUDA® (pembrolizumab) through a clinical collaboration with Merck & Co., Inc., Rahway, NJ, USA. The Company licensed PF-08046052 (formerly LAVA-1223) to Pfizer Inc. for clinical development and commercialization. The pipeline also includes several pre-clinical programs. For more information, please visit www.lavatherapeutics.com, and follow us on [LinkedIn](#), [X](#), and [YouTube](#).

KEYTRUDA® is a registered trademark of Merck Sharp & Dohme Corp., a subsidiary of Merck & Co. LLC, Rahway, NJ, USA

Gammabody® is a registered trademark of LAVA Therapeutics N.V.

LAVA's Cautionary Note on Forward-Looking Statements

This press release contains forward-looking statements, including with respect to the Company's anticipated growth and clinical development plans including the timing and results of clinical trials. Words such as "anticipate", "believe", "could", "will", "may", "expect", "should", "plan", "intend", "estimate", "potential", "suggests", and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These forward-looking statements are based on LAVA's expectations and assumptions as of the date of this press release and are subject to various risks and uncertainties that may cause actual results to differ materially from these forward-looking statements. Forward-looking statements contained in this press release include but are not limited to statements relating to the therapeutic potential, development and potential uses of LAVA's product candidates, the timing of initiation of clinical trials, including the expansion phase of the Phase 1/2a trial to evaluate LAVA-1207 in combination with KEYTRUDA® and the timing of initiating the Phase 1 trial of LAVA-1266, the timing of regulatory submissions, including an IND for LAVA-1266 in AML and MDS, LAVA's cash runway and the sufficiency of resources to pursue development activities, availability of information regarding clinical development plans, progress and data from clinical trials, the ability of LAVA's product candidates to treat various tumor targets, including CRC, NSCLC, PDAC and HNSCC, and improve patient outcomes and the sufficiency of resources to pursue development activities. Many factors, risks and uncertainties may cause differences between current expectations and actual results, including, among other things, the Company's ability to leverage its initial programs to develop additional product candidates using our Gammabody® platform, and the failure of LAVA's collaborators to support or advance collaborations or LAVA's product candidates, the timing and results of LAVA's research and development programs and preclinical and clinical trials, the possibility that clinical trials may fail to establish sufficient efficacy, the risk that adverse events or safety signals may occur, in clinical trials, the risk that results obtained in clinical trials to date may not be indicative of results obtained in ongoing or future trials, the risk that adverse regulatory actions or other setbacks could occur in clinical trials even after promising results in earlier clinical trials or preclinical studies, the Company's ability to obtain regulatory approval for and commercialize its product candidates, and the risk that setbacks in development could occur as a result of the difficulty and uncertainty of pharmaceutical product development and other factors. There may be adverse effects on the Company's business condition and results from general economic and market conditions and overall fluctuations in the United States and international equity markets, including as a result of inflation, heightened interest rates, recent and potential

future pandemics and other health crises, and hostilities, including between Russia and Ukraine or the Israel-Hamas war. These and other risks are described in greater detail under the caption “Risk Factors” and included in LAVA’s filings with the Securities and Exchange Commission. LAVA assumes no obligation to update any forward-looking statements contained herein to reflect any change in expectations, even as new information becomes available.

CONTACTS

Investor Relations

ir@lavatherapeutics.com

LifeSci Advisors (IR/Media)

Joyce Allaire

Jallaire@lifesciadvisors.com
