
**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 November 2023

(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such registration statements) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.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 Nine Months Ended September 30, 2023 and 2022</u>
99.2	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations as of and for the Three and Nine Months Ended September 30, 2023 and 2022</u>
99.3	<u>Press Release dated November 16, 2023</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: November 16, 2023

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 Profit and Loss and Comprehensive Profit and 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 Profit and Loss
and Comprehensive Profit and Loss
(in thousands, except share and per share amounts) (unaudited)

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Revenue from contracts with customers	6	\$ 53	\$ 15,261	\$ 6,416	\$ 16,751
Cost of sales of goods	6	—	—	(2,546)	—
Cost of providing services	6	(10)	—	(782)	—
Gross profit		43	15,261	3,088	16,751
Operating expenses:					
Research and development	7	(7,912)	(13,697)	(30,454)	(29,565)
General and administrative	8	(2,858)	(3,135)	(10,445)	(10,545)
Total operating expenses		(10,770)	(16,832)	(40,899)	(40,110)
Operating loss		(10,727)	(1,571)	(37,811)	(23,359)
Interest income (expense), net		809	39	2,124	(214)
Foreign currency exchange gain, net		1,132	2,515	429	6,763
Total non-operating income		1,941	2,554	2,553	6,549
(Loss) Profit before income tax		(8,786)	983	(35,258)	(16,810)
Income tax expense		(50)	(47)	(218)	(182)
(Loss) Profit for the period		\$ (8,836)	\$ 936	\$ (35,476)	\$ (16,992)
Items that may be reclassified to profit or loss					
Foreign currency translation adjustment		(1,385)	(5,359)	(82)	(14,220)
Total comprehensive loss		\$ (10,221)	\$ (4,423)	\$ (35,558)	\$ (31,212)
(Loss) Profit per share:					
(Loss) Profit per share, basic		\$ (0.34)	\$ 0.04	\$ (1.35)	\$ (0.66)
Weighted-average common shares outstanding, basic		26,289,087	25,845,802	26,289,087	25,800,973
(Loss) Profit per share, diluted		\$ (0.34)	\$ 0.04	\$ (1.35)	\$ (0.66)
Weighted-average common shares outstanding, diluted		26,289,087	26,446,259	26,289,087	25,800,973

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	September 30, 2023	December 31, 2022
Assets			
Non-current assets:			
Property and equipment, net		\$ 1,715	\$ 1,432
Right-of-use assets		1,062	651
Other non-current assets and security deposits		326	809
Total non-current assets		3,103	2,892
Current assets:			
Receivables and other		1,077	3,254
Prepaid expenses and other current assets		1,906	4,411
VAT receivable		307	—
Investments	10	41,964	32,535
Cash and cash equivalents		62,663	100,333
Total current assets		107,917	140,533
Total assets		\$ 111,020	\$ 143,425
Equity and Liabilities			
Equity:			
Share capital	4	\$ 3,715	\$ 3,715
Equity-settled employee benefits reserve	9	11,421	8,942
Foreign currency translation reserve		(13,054)	(12,972)
Additional paid-in capital		194,424	194,424
Accumulated deficit	9	(141,910)	(108,069)
Total equity		54,596	86,040
Non-current liabilities:			
Deferred revenue	6	35,000	35,000
Lease liabilities		671	431
Total non-current liabilities		35,671	35,431
Current liabilities:			
Trade payables and other		9,384	3,965
VAT payable		—	45
Borrowings		4,944	4,640
Lease liabilities		580	379
License liabilities	5	—	4,732
Accrued expenses and other current liabilities	11	5,845	8,193
Total current liabilities		20,753	21,954
Total liabilities		56,424	57,385
Total equity and liabilities		\$ 111,020	\$ 143,425

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 June 30, 2023		26,289,087	\$ 3,715	\$ 12,132	\$ (11,669)	\$ 194,424	\$ (134,709)	\$ 63,893
Loss for the period		—	—	—	—	—	(8,836)	(8,836)
Foreign currency translation adjustment		—	—	—	(1,385)	—	—	(1,385)
Forfeited options	9	—	—	(1,635)	—	—	1,635	—
Share-based compensation expense	9	—	—	924	—	—	—	924
Balance at September 30, 2023		<u>26,289,087</u>	<u>\$ 3,715</u>	<u>\$ 11,421</u>	<u>\$ (13,054)</u>	<u>\$ 194,424</u>	<u>\$ (141,910)</u>	<u>\$ 54,596</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		—	—	—	—	—	(35,476)	(35,476)
Foreign currency translation adjustment		—	—	—	(82)	—	—	(82)
Forfeited options	9	—	—	(1,635)	—	—	1,635	—
Share-based compensation expense	9	—	—	4,114	—	—	—	4,114
Balance at September 30, 2023		<u>26,289,087</u>	<u>\$ 3,715</u>	<u>\$ 11,421</u>	<u>\$ (13,054)</u>	<u>\$ 194,424</u>	<u>\$ (141,910)</u>	<u>\$ 54,596</u>

	Note	Common shares	Share capital	Equity-settled employee benefits reserves	Foreign currency translation reserve	APIC	Accumulated deficit	Total
Balance at June 30, 2022		25,797,735	\$ 3,656	\$ 7,275	\$ (15,085)	\$ 192,282	\$ (94,090)	\$ 94,038
Profit for the period		—	—	—	—	—	936	936
Issuance of VUmc common stock	5	491,352	59	—	—	2,142	—	2,201
Foreign currency translation adjustment		—	—	—	(5,359)	—	—	(5,359)
Share-based compensation expense	9	—	—	841	—	—	—	841
Balance at September 30, 2022		<u>26,289,087</u>	<u>\$ 3,715</u>	<u>\$ 8,116</u>	<u>\$ (20,444)</u>	<u>\$ 194,424</u>	<u>\$ (93,154)</u>	<u>\$ 92,657</u>

	Note	Common shares	Share capital	Equity-settled employee benefits reserves	Foreign currency translation reserve	APIC	Accumulated deficit	Total
Balance at January 1, 2022		25,775,538	\$ 3,653	\$ 4,829	\$ (6,223)	\$ 192,270	\$ (76,162)	\$ 118,367
Loss for the period		—	—	—	—	—	(16,992)	(16,992)
Option Exercise		22,197	3	—	—	12	—	15
Issuance of VUmc common stock	5	491,352	59	—	—	2,142	—	2,201
Foreign currency translation adjustment		—	—	—	(14,221)	—	—	(14,221)
Share-based compensation expense	9	—	—	3,287	—	—	—	3,287
Balance at September 30, 2022		<u>26,289,087</u>	<u>\$ 3,715</u>	<u>\$ 8,116</u>	<u>\$ (20,444)</u>	<u>\$ 194,424</u>	<u>\$ (93,154)</u>	<u>\$ 92,657</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	Nine Months Ended September 30,	
		2023	2022
Cash flows from operating activities:			
Loss before income tax		\$ (35,258)	\$ (16,810)
Adjusted for:			
Depreciation and amortization of non-current assets		433	315
Foreign currency exchange gain, net		(429)	(6,763)
Depreciation of right-of-use assets		493	195
Share-based compensation expense	9	4,114	3,287
Income tax expense		(219)	(181)
Amortization of premium on investments		(1,211)	135
Changes in working capital:			
Receivables and other		2,146	(50,227)
VAT payable		(351)	154
Prepaid expenses and other assets		2,939	(1,169)
Trade accounts payable and other		5,448	5,107
Deferred offering & financing costs		—	(106)
Deferred revenue	6	—	33,510
License liabilities		(4,685)	(2,828)
Other liabilities		(2,272)	3,689
Net cash used in operating activities		(28,852)	(31,692)
Cash flows from investing activities:			
Purchases of property and equipment		(730)	(322)
Purchases of investments		(53,895)	(46,548)
Maturities of investments		45,677	60,355
Net cash (used in) provided by investing activities		(8,948)	13,485
Cash flows from financing activities:			
Proceeds from option exercises		—	15
Proceeds from borrowings		345	509
Payment of principal portion of lease liabilities		(736)	(225)
Net cash (used in) provided by financing activities		(391)	299
Net decrease in cash and cash equivalents		(38,191)	(17,908)
Cash and cash equivalents at beginning of period		100,333	90,869
Effects of exchange rate changes on cash and cash equivalents		521	(8,629)
Cash and cash equivalents at end of period		\$ 62,663	\$ 64,332
Supplemental schedule of noncash operating and financing activities:			
Issuance of 491,352 common shares to VUmc in lieu of payment for license liabilities	5	\$ —	\$ 2,201

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

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

Note 1—General Information

LAVA Therapeutics N.V., together with its subsidiary, 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. Unless the context otherwise requires, references to the “Company,” “we,” “us” and “our” refer to LAVA Therapeutics N.V. and its subsidiary.

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 Audit Committee of the Company’s Board of Directors approved these unaudited condensed consolidated interim financial statements on November 14, 2023.

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, 2022 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 April 11, 2023.

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, 2022 and 2021, included on Form 20-F filed by the Company on April 11, 2023.

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 September 30, 2023 and 2022, and for the three and nine months ended September 30, 2023 and 2022 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 material. 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 product 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.

Revision of immaterial misstatements

During the year ended December 31, 2022, the Company identified misstatements in its historical accounting for share-based compensation expenses in the condensed consolidated interim financial statements for certain prior periods. Management evaluated the misstatements and concluded that they were immaterial, either individually or in the aggregate, to its current or previously issued consolidated financial statements. As a result, certain comparative amounts in the consolidated statements of profit and loss and comprehensive profit and loss, financial position, changes in equity and cash flows have been revised to correct for such immaterial misstatements with respect to share-based compensation expenses. Such revisions and their impact are disclosed more fully in Note 12, "Revision of Immaterial Misstatements."

Going concern

These condensed consolidated interim financial statements have been prepared by management on the assumption that the Company will be able to continue as a going concern, which presumes that the Company will, for at least the next 12 months, be able to realize its assets and discharge its liabilities in the normal course of business.

Through September 30, 2023, 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 recurring 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 profit and loss and comprehensive profit and loss.

As of September 30, 2023, the Company had an accumulated deficit of \$141.9 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 \$104.6 million as of September 30, 2023 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 September 30, 2023, 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 profit and 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 and 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. 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, investments 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 profit and loss and other comprehensive profit and 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. 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.

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.

Note 3—Significant 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 significant adjustments to accruals have been recognized during the first nine months of 2023 or 2022, due to conditions that existed as of December 31, 2022 or 2021, respectively. Additionally, there have been no changes to the application of significant accounting estimates, and no impairment losses have been recognized during the first nine months of 2023 or 2022.

The unaudited condensed consolidated interim financial statements do not include all disclosures for critical accounting estimates and judgments 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, 2022 and 2021.

Note 4—Equity

On March 29, 2021, the Company completed an initial public offering (IPO) of common shares in the U.S. pursuant to its registration statement on Form F-1, as amended (File No. 333-253795). Pursuant to the registration statement, the Company issued and sold 6,700,000 shares of \$0.14 par value common shares at a price of \$15.00 per share. Net proceeds from the IPO were approximately \$88.7 million after deducting underwriting discounts and commissions of \$7.0 million and offering costs of \$4.5 million.

On April 19, 2021, underwriters of the Company's IPO consummated the exercise of their option to purchase 425,712 common shares from the Company at the price of \$15.00 per share resulting in additional IPO proceeds to the Company of \$5.9 million after deducting underwriting discounts and commissions of \$0.4 million.

In March 2021, the Company also received \$56.6 million in proceeds from the Series C financing, net of repurchasing Series A Preferred shares and common shares. Prior to the IPO in March 2021, all outstanding series of preferred shares were converted to common shares.

The share capital of LAVA Therapeutics N.V. consisted of 26,289,087 issued and outstanding common shares at a nominal value of \$0.14 per share as of September 30, 2023.

Note 5—License Liabilities

On February 25, 2021, the license and assignment agreement with Stichting VUmc (VUmc) was restated, due to the Company's IPO which triggered a \$13.1 million payment (VUmc payment). The VUmc payment was calculated as the following:

- The Company shall issue common shares equal to \$3.3 million divided by the IPO price and pay \$0.2 million in cash, which was executed and paid in 2021; and
- On each of the first and second anniversary of the IPO, the Company shall pay \$4.8 million. Such payment shall be made in cash or common shares, at the election of the Company, valued using the closing price of common shares on the date two trading days prior to the respective anniversary of the IPO.

The first of the \$4.8 million payments became due to VUmc in March 2022 and was settled through the issuance of 491,352 shares of common stock and \$2.4 million in cash in August 2022. The second VUmc IPO anniversary payment became due in March 2023 and payment was made in cash in May 2023. As of September 30, 2023 the Company has no further obligations to VUmc.

Note 6—Revenue and cost of sales

Seagen Agreement

In September 2022, the Company entered into an exclusive worldwide license agreement with Seagen, Inc. (Seagen Agreement) to develop, manufacture and commercialize SGN-EGFRd2 (LAVA-1223), an advanced preclinical asset that utilizes LAVA's proprietary Gammabody technology to target EGFR-expressing solid tumors. Under the terms of the Seagen Agreement, the Company 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, within a range of less than 10%. The Seagen Agreement also provides Seagen with the opportunity to exclusively negotiate rights to apply LAVA's proprietary Gammabody platform for up to two additional tumor targets, which exclusive rights, if not exercised during a specified period, will expire.

The Company is entitled to receive tiered royalties based on commercial sales levels from mid-single to double digit percentages of net sales of licensed products. Seagen has also granted us a one-time option to obtain increased royalties if the Company 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 Seagen 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 mid-teen percentages on future sales, within a range of less than 10%, and certain future milestones will be decreased by 30%.

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 Seagen 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 Seagen. As of September 30, 2023 a cumulative total of \$6.2 million reimbursement revenue was recognized.

The Company determined that the Seagen 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, the Company 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.

For the three and nine months ended September 30, 2023 and 2022, no changes were made to the allocation of performance obligations to the purchase price. The Company allocated the transaction price to the performance obligations as of September 30, 2023 and 2022 as follows:

<u>(in thousands)</u>	<u>Transaction Price</u>	<u>Revenue Recognized for the three months ended September 30, 2023</u>	<u>Revenue Recognized for the nine months ended September 30, 2023</u>	<u>Cumulative Revenue Recognized as of September 30, 2023</u>
License	\$ 50,000	\$ —	\$ —	\$ 15,165
Manufacturing technology transfer activities	2,167	12	112	2,185
Initial supply	3,583	13	3,287	3,287
Research activities	750	2	23	686
Buy-up fee (*)	(35,000)	—	—	—
	<u>\$ 21,500</u>	<u>\$ 27</u>	<u>\$ 3,422</u>	<u>\$ 21,323</u>

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

(in thousands)	Transaction Price	Revenue Recognized for the three months ended September 30, 2022	Revenue Recognized for the nine months as of September 30, 2022	Other assets as of September 30, 2022
License	\$ 50,000	\$ 15,165	\$ 15,165	\$ —
Manufacturing technology transfer activities	2,167	90	90	—
Initial supply	3,583	—	—	2,212
Research activities	750	6	6	—
Buy-up fee (*)	(35,000)	—	—	—
	\$ 21,500	\$ 15,261	\$ 15,261	\$ 2,212

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

For the three and nine months ended September 30, 2023 the revenue primarily relates to the initial supply and manufacturing technology transfer related stability studies. For the three and nine months ended September 30, 2022 revenue of \$15.3 million was recognized. Of that amount, \$15.2 million related to the nonrefundable upfront payment and \$0.1 million related to reimbursement for research and manufacturing technology transfer activities.

Janssen Agreement

Upfront payment

In May 2020, the Company entered into a research collaboration and license agreement (Janssen Agreement) with Janssen Biotech, Inc. (Janssen). As part of the Janssen Agreement, the Company received a non-refundable upfront payment of \$8.0 million, which was recognized on a straight-line basis over the two-year term of the research activities under the agreement. Revenues for the three months ended September 30, 2023 and 2022 were zero. Revenues for the nine months ended September 30, 2023 and 2022 were zero and \$1.5 million, respectively. These revenues were only related to the straight-line recognition of the upfront payment. The straight-line method of recognition materially approximates the cost to cost method of revenue recognition. As of September 30, 2023, the Company had no remaining deferred revenue related to this payment.

Milestone payment

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. No milestone revenue was recognized in the three and nine months ended September 30, 2022.

Note 7—Research and Development Expenses

Research and development expenses were as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Pre-clinical and clinical trial expenses	\$ 4,899	\$ 10,943	\$ 20,542	\$ 20,926
Personnel-related expenses	1,763	1,296	5,346	4,236
Facilities and other research and development expenses	622	389	1,842	1,101
Research and development activities expenses	325	675	1,297	1,706
Share-based compensation expense	303	394	1,427	1,596
	<u>\$ 7,912</u>	<u>\$ 13,697</u>	<u>\$ 30,454</u>	<u>\$ 29,565</u>

Note 8—General and Administrative Expenses

General and administrative expenses were as follows:

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Professional and consultant fees	\$ 887	\$ 930	\$ 2,667	\$ 2,664
Personnel-related expenses	742	1,047	2,932	3,991
Share-based compensation expense	621	447	2,687	1,691
Insurance, facilities, fees and other related costs	608	711	2,159	2,199
	<u>\$ 2,858</u>	<u>\$ 3,135</u>	<u>\$ 10,445</u>	<u>\$ 10,545</u>

Note 9—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 5,398,019 stock options outstanding as of September 30, 2023, at a weighted-average exercise price of \$3.89 per share. During the three months ended September 30, 2023, no options were granted to employees and 234,322 options were forfeited at a weighted-average exercise price of \$5.00 per share as a result of headcount reductions. During the nine months ended September 30, 2023, 857,271 options were granted to employees and nonemployee directors at a weighted-average exercise price of \$3.21 per share and 739,383 options were forfeited at a weighted-average exercise price of \$4.28 per share.

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

(in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Research and development	\$ 303	\$ 394	\$ 1,427	\$ 1,596
General and administrative	621	447	2,687	1,691
	<u>\$ 924</u>	<u>\$ 841</u>	<u>\$ 4,114</u>	<u>\$ 3,287</u>

Due to headcount reductions, we recognized a reversal of compensation costs for unvested options during the three months ended September 2023 of \$0.3 million. In addition, we transferred \$1.6 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 nine months ended September 30, 2023:

	<u>September 30, 2023</u>
Expected annual average volatility	88.3%
Expected life, years	6.08
Fair value of the common share	\$ 1.42 - 2.92
Exercise price	\$ 1.90 - 3.86
Dividend yield	—
Risk-free interest rate	3.46% - 4.16%
Weighted average grant date fair value	\$ 2.43

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 \$4.4 million as of September 30, 2023, which is expected to amortize over a weighted-average 0.90 years.

Note 10—Investments

Our investments in debt securities consist of investments in U.S. Treasury securities, with maturities ranging from three months to one year. 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 September 30, 2023, the carrying value of our investments was \$42 million, which approximates fair value. Given the high-quality ratings of these investments in debt securities, we have not recorded an allowance for credit losses as of September 30, 2023.

Note 11—Restructuring

In June 2023, we announced that the ongoing clinical trial of LAVA-051 targeting the CD1d-expressing hematological tumors, multiple myeloma (MM), chronic lymphocytic leukemia (CLL), and acute myeloid leukemia, is no longer recruiting and would be discontinued after no patients remain on treatment. LAVA-051 was being evaluated in an open-label, multi-center Phase 1/2a clinical trial in patients with relapsed or refractory CLL and MM to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity, and preliminary anti-tumor activity of LAVA-051. The decision to discontinue LAVA-051's clinical trial follows a recent review of the competitive landscape that has continued to evolve. The decision was not due to safety concerns. As a result, we accrued an estimated amount of \$1.4 million in June 2023 for costs associated with the discontinuation of our clinical trial, contract manufacturing and bioanalytical activities for LAVA-051. Of this accrual, invoices have been received for an amount of \$0.7 million in the three months ended September 30, 2023 and the remaining accrual of \$0.7 million is recorded in accrued expenses and other current liabilities on our condensed consolidated interim statements of financial position. The Company reviewed the relevant items of its condensed consolidated interim statements of financial position and did not identify any asset that would be subject to impairment as a result of the discontinuation of the clinical trial of LAVA-051.

In August 2023, we finalized a reduction in workforce of approximately 36% in the U.S and the Netherlands to better align the Company's resources with the Company's focus on LAVA-1207 and redesigned focus on research and development. The majority of the charges in connection with the reduction, approximately \$0.5 million, was incurred in the three months ended September 30, 2023 and we anticipate the implementation of headcount reductions, including cash payments, will be substantially completed by the end of 2023.

Note 12 – Revision of Immaterial Misstatements

In connection with the preparation and review of the Company's consolidated interim and year-end financial statements for December 31, 2022, management identified an immaterial misstatement in our historical financial statements related to the accounting for share-based compensation expenses. We incorrectly computed and recorded the share-based compensation expenses due to an error in the calculation of the expense attribution over the vesting period, resulting in an incorrect and accelerated expense being recorded.

In accordance with the guidance set forth in Securities and Exchange Commission (SEC) Staff Accounting Bulletin (SAB) 99, Materiality, and SEC SAB 108, Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financials, the Company concluded the misstatement was not material to the previously issued consolidated financial statements. We adjusted our historical financial statements to revise the immaterial misstatement.

The revision for the share-based compensation expense misstatement did not have an impact on total equity as of September 30, 2023, or any prior periods. As a result of the Company's immaterial misstatement, net profit for the three months ended September 30, 2022 was overstated \$0.1 million and net loss for the nine months ended September 30, 2022 was understated by \$0.1 million. Operating expenses for the three and nine months ended September 30, 2022 were both understated by \$0.1 million.

In the Condensed Consolidated Interim Statement of Loss and Comprehensive Loss, we have revised the following:

(in thousands)	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
	As reported	Adjustment	As revised	As reported	Adjustment	As revised
Research and development expenses	\$ (13,675)	\$ (22)	\$ (13,697)	\$ (29,619)	\$ 54	\$ (29,565)
General and administrative expenses	\$ (3,096)	\$ (39)	\$ (3,135)	\$ (10,410)	\$ (135)	\$ (10,545)
Total operating expenses	\$ (16,771)	\$ (61)	\$ (16,832)	\$ (40,029)	\$ (81)	\$ (40,110)
Operating loss	\$ (1,510)	\$ (61)	\$ (1,571)	\$ (23,278)	\$ (81)	\$ (23,359)
Profit (Loss) before income tax	\$ 1,044	\$ (61)	\$ 983	\$ (16,729)	\$ (81)	\$ (16,810)
Profit (Loss) for the period	\$ 997	\$ (61)	\$ 936	\$ (16,911)	\$ (81)	\$ (16,992)
Total comprehensive loss	\$ (4,362)	\$ (61)	\$ (4,423)	\$ (31,131)	\$ (81)	\$ (31,212)

In the Condensed Consolidated Interim Statements of Financial Position and Changes in Equity, we have revised the following:

(in thousands)	September 30, 2022		
	As reported	Adjustment	As revised
Equity-settled employee benefits reserve	\$ 8,426	\$ (310)	\$ 8,116
Accumulated deficit	\$ (93,463)	\$ 310	\$ (93,153)
Equity:	\$ 92,658	\$ —	\$ 92,658

In the Condensed Consolidated Interim Statements of Cash Flows, we have revised the following:

(in thousands)	Nine Months Ended September 30, 2022		
	As reported	Adjustment	As revised
Loss before income tax	\$ (16,729)	\$ (81)	\$ (16,810)
Share-based compensation expense	\$ 3,207	\$ 81	\$ 3,287
Net cash used in operating activities	\$ (31,692)	\$ —	\$ (31,692)

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, 2022, including the notes thereto, included in our annual report on Form 20-F, filed with the Securities and Exchange Commission on April 11, 2023. 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 subsidiary, 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 product candidates;
 - the initiation, timing, continuation, progress and results of our current and future preclinical studies and clinical trials and our research and development programs, including expectations regarding enrollment in clinical trials;
 - the number of Vγ9Vδ2-T cells available for engagement by LAVA's product candidates and the ability to increase those cells, including but not limited to the addition of low-dose interleukin-2 (IL-2);
 - 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 safety profile of our product candidates, 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 candidates and manufacture our product 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 between Russia and Ukraine or in the Middle East, and recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures.

The following discussion reflects the Company's revision of previously issued condensed consolidated interim financial statements to adjust for immaterial prior period misstatements related to share-based compensation expenses. Further information regarding the revision is included in our condensed consolidated interim financial statements, "Note 12 — Revision of Immaterial Misstatements," which are included as Exhibit 99.1 to the Form 6-K to which this management's discussion and analysis of financial condition and results of operations is an exhibit.

Overview

We are a clinical-stage immuno-oncology company focused on developing our proprietary Gammabody® platform of bispecific gamma-delta 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 gamma-delta (gd) T cells to elicit a robust, anti-tumor immune response and improve outcomes for cancer patients.

We were incorporated in February 2016 in the Netherlands. In 2019, we established our wholly owned U.S. subsidiary, which began business in January 2020. We have not generated any revenue from the sale of products. Since inception, we have incurred recurring losses. As of September 30, 2023, we had an accumulated deficit of \$141.9 million.

In June 2023, we announced that the ongoing clinical trial of LAVA-051 targeting the CD1d-expressing hematological tumors, MM, CLL, and AML, is no longer recruiting and would be discontinued after no patients remain on treatment. The decision to discontinue the LAVA-051 clinical trial follows a recent review of the competitive landscape that has continued to evolve. The discontinuation of the clinical trial for LAVA-051 was not driven by safety concerns. As a result, we accrued an estimated \$1.4 million in June 2023 for costs associated with the discontinuation of our clinical trial, contract manufacturing and bioanalytical activities for LAVA-051. Of this accrual, \$0.7 million was incurred in the three months ended September 30, 2023 and the remaining accrual of \$0.7 million is recorded in accrued expenses and other current liabilities on our condensed consolidated interim statements of financial position. In August 2023, we finalized a reduction in workforce of approximately 36% in the U.S. and the Netherlands to better align the Company's resources

with the Company's focus on LAVA-1207 and redesigned focus on research and development. The majority of the charges in connection with the reduction, approximately \$0.5 million, was incurred in the three months ended September 30, 2023 and the implementation of headcount reductions, including cash payments, will be substantially completed by the end of 2023.

LAVA-1207

In 2022, we dosed the first patient in a Phase 1/2a clinical trial evaluating LAVA-1207 in patients with metastatic castration-resistant prostate cancer (mCRPC). The open-label, multi-center, Phase 1/2a clinical trial will evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity and preliminary anti-tumor activity of our lead investigational product candidate, LAVA-1207. The Phase 1 dose-escalation phase is designed to determine a recommended Phase 2a dose of LAVA-1207. Once a recommended Phase 2 dose has 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 we have activated ten clinical trial sites in Europe and the United States.

In February 2023, at the American Society of Clinical Oncology Genitourinary Cancers Symposium (ASCO GU), we reported the most recent 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.

Trial enrollment and data accrual is progressing across 10 clinical trial sites in Europe and the United States. We expect to report additional data for the dose escalation phase of the trial in the third quarter of 2024, which if positive, we expect these results to allow us to rapidly design and enter into a future trial.

SGN-EGFRd2 (LAVA-1223)

In September 2022, we entered into an exclusive worldwide license agreement (Seagen Agreement) with Seagen Inc. (Seagen) to develop, manufacture and commercialize SGN-EGFRd2 (LAVA-1223), an advanced preclinical asset that utilizes our 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 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, within a range of less than 10%, on future sales. The agreement also provides Seagen with the opportunity to exclusively negotiate rights to apply our proprietary Gammabody platform on up to two additional tumor targets, which exclusive rights, if not exercised during a specified period, will expire. In January 2023, we entered into a supply agreement with Seagen to fulfill part of our obligations under the Seagen Agreement and began shipping investigational drug supply to Seagen in March 2023. As of September 30, 2023 all drug supply was shipped to Seagen. Seagen received investigational new drug application clearance for SGN-EGFRd2 (LAVA-1223) in advanced solid tumors from the United States Food and Drug Administration. During the third quarter Seagen initiated a Phase 1 study (NTC0598133) of SGN-EGFRd2 (LAVA-1223) to evaluate the safety and tolerability of Gammabody® as a monotherapy in advanced EGFR expressing solid tumors.

Janssen Agreement

In May 2023, a milestone payment of \$2.5 million from Janssen Biotech, Inc. (Janssen) was triggered under the terms of the research collaboration and license agreement entered in May 2020 (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 toward the clinic. The payment of the \$2.5 million milestone was received in July 2023. Under the terms of the agreement, we are eligible to receive future milestone payments upon the achievement of certain development and commercial milestones, including submission of an investigational new drug application. We

are also entitled to receive tiered royalties based on commercial sales levels from low to mid-single digit percentages of net sales of licensed products for a fixed period beginning with the first commercial sale of such a licensed product in a given country of sale and expiring ten years after such sale.

Comparison of the Three Months Ended September 30, 2023 and 2022 (unaudited):

Revenue from contracts with customers

Our revenue from contracts with customers was \$0.1 million and \$15.3 million for the three months ended September 30, 2023 and 2022, respectively. In connection with the Seagen Agreement, we recognized \$0.1 million in revenue for the three months ended September 30, 2023, related to reimbursement for research activities and initial supply related stability studies.

Revenue from contracts with customers of \$15.3 million for the three months ended September 30, 2022 related to the Seagen Agreement. Of that amount, \$15.2 million related to the nonrefundable upfront payment and \$0.1 million related to reimbursement for research activities. We determined that the one-time buy-up fee of \$35.0 million represents variable consideration, for which we have deferred revenue recognition until such time the option is exercised or expires.

Cost of sales of goods and providing services

Our cost of sales of goods and providing services was less than \$0.1 million and zero for the three months ended September 30, 2023 and 2022, respectively, related to the cost of the initial supply related stability studies under the Seagen Agreement.

Research and development expenses

Below were our research and development expenses:

(in thousands)	Three Months Ended September 30,		Variance
	2023	2022	
Pre-clinical and clinical trial expenses	\$ 4,899	\$ 10,943	\$ (6,044)
Personnel-related expenses	1,763	1,296	467
Facilities and other research and development expenses	622	389	233
Research and development activities expenses	325	675	(350)
Share-based compensation expense	303	394	(91)
	\$ 7,912	\$ 13,697	\$ (5,785)

The primary driver of our decrease in research and development expenses for the three months ended September 30, 2023 as compared to the same period in 2022 was pre-clinical and clinical trial expenses and research and development activities expenses, which decreased in total by \$6.4 million. This decrease was primarily due to reduced manufacturing scale-up costs and reduced activities of the clinical trials as a result of the discontinuation of our clinical trial, contract manufacturing and bioanalytical activities for LAVA-051 announced in June 2023. Non-cash share-based compensation expenses decreased by \$0.1 million due to the reversal of expenses associated with stock option forfeitures due to the research and development headcount reductions. Personnel-related expenses increased by \$0.5 million primarily due to severance costs as a result of research and development headcount reductions. Facilities and other research and development expenses increased by \$0.2 million primarily due to increased office and laboratory leases and increased travel costs.

General and administrative expenses

Below were our general and administrative expenses:

(in thousands)	Three Months Ended September 30,		Variance
	2023	2022	
Professional and consultant fees	\$ 887	\$ 930	\$ (43)
Personnel-related expenses	742	1,047	(305)
Share-based compensation expense	621	447	174
Insurance, facilities, fees and other related costs	608	711	(103)
	<u>\$ 2,858</u>	<u>\$ 3,135</u>	<u>\$ (277)</u>

Personnel-related expenses decreased by \$0.3 million due to a reduction in general and administrative headcount for the three months ended September 30, 2023, as compared to the same period in 2022. Non-cash share-based compensation expenses increased by \$0.2 million for the three months ended September 30, 2023 as compared to the same period in 2022 primarily due to the option grants expense. Insurance, facilities, fees and other related costs and professional and consultant fees slightly decreased for the three months ended September 30, 2023, as compared to the same period in 2022.

Interest income (expense), net

Interest income, net was \$0.8 million for the three months ended September 30, 2023, compared to interest expense, net of less than \$0.1 million for the three months ended September 30, 2022. The increase in interest income was primarily due to higher interest yields on our investments in 2023. Interest income (expense), 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, net

For the three months ended September 30, 2023 and 2022, foreign currency exchange gain decreased by \$1.4 million, from \$2.5 million during the three months ended September 30, 2022 to \$1.1 million during the three months ended September 30, 2023. This decrease 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 Nine Months Ended September 30, 2023 and 2022 (unaudited):

Revenue from contracts with customers

Our revenue from contracts with customers was \$6.4 million and \$16.8 million for the nine months ended September 30, 2023 and 2022, respectively. In connection with the Seagen Agreement, we recognized \$3.9 million in revenue for the nine months ended September 30, 2023, related to reimbursement for research activities and delivery of initial supply and initial supply related stability studies. In connection with the Janssen Agreement, we recognized \$2.5 million in revenue for the nine months ended September 30, 2023, related to a triggered milestone payment.

Revenue from contracts with customers of \$16.8 million for the nine months ended September 30, 2022, primarily relates to the Seagen Agreement. In connection with the Seagen Agreement, we recognized \$15.3 million in revenue for the nine months ended September 30, 2022. Of that amount, \$15.2 million related to the nonrefundable upfront payment and \$0.1 million related to reimbursement for research activities. We determined that the one-time buy-up fee of \$35.0 million represents variable consideration, for which we have deferred revenue recognition until such time the option is exercised or expires.

Additionally we recognized \$1.5 million in revenue for the nine months ended September 30, 2022 related to the Janssen Agreement. In connection with this collaboration, we received a non-refundable upfront

payment of \$8.0 million that was recognized on a straight-line basis over the two-year term of the research activities under the Janssen Agreement, as this method approximated the underlying research and development activities over time. As of September 30, 2023, we had no remaining deferred revenue related to this payment.

Cost of sales of goods and providing services

Our cost of sales of goods and providing services was \$3.3 million and zero for the nine months ended September 30, 2023 and 2022, respectively, related to the cost of the initial supply delivery and related stability studies under the Seagen Agreement. Of this amount for the nine months ended September 30, 2023, \$0.8 million related to costs of services related to stability studies for the product materials and \$2.6 million related to costs of product materials.

Research and development expenses

Below were our research and development expenses:

(in thousands)	For the Nine Months Ended		
	September 30,		Variance
	2023	2022	
Pre-clinical and clinical trial expenses	\$ 20,542	\$ 20,926	\$ (384)
Personnel-related expenses	5,346	4,236	1,110
Facilities and other research and development expenses	1,842	1,101	741
Share-based compensation expense	1,427	1,596	(169)
Research and development activities expenses	1,297	1,706	(409)
	\$ 30,454	\$ 29,565	\$ 889

The primary driver of our increase in research and development expenses for the nine months ended September 30, 2023 compared to September 30, 2022 was personnel-related expenses, which increased by \$1.1 million. This increase was primarily due to the increased research and development headcount during 2023, compared to 2022, and the severance costs as a result of research and development headcount reductions in the second half of 2023. Facilities and other research and development expenses increased by \$0.7 million primarily due to increased office and laboratory leases, costs related to move into our new facilities and increased travel costs. These increases were offset by decreased pre-clinical and clinical trial expenses and research and development activities expenses of \$0.8 million. This decrease was largely due to reduced manufacturing scale-up costs and reduced activities of the clinical trials as a result of the discontinuation of our clinical trial, contract manufacturing and bioanalytical activities for LAVA-051 announced in June 2023. In addition, non-cash share-based compensation expenses decreased by \$0.2 million primarily due to the reversal of expenses associated with research and development headcount reductions.

General and administrative expenses

Below were our general and administrative expenses:

(in thousands)	For the Nine Months Ended		
	September 30,		Variance
	2023	2022	
Personnel-related expenses	\$ 2,932	\$ 3,991	\$ (1,059)
Share-based compensation expense	2,687	1,691	996
Professional and consultant fees	2,667	2,664	3
Insurance, facilities, fees and other related costs	2,159	2,199	(40)
	\$ 10,445	\$ 10,545	\$ (100)

Personnel-related expenses decreased by \$1.1 million due to reduction in general and administrative headcount for the nine months ended September 30, 2023, as compared to the same period in 2022. Non-cash share-based compensation expenses increased \$1.0 million for the nine months ended September 30, 2023 as compared to the same period in 2022 primarily due to the reversal of expenses associated with stock

option forfeitures due to the departure of our former chief financial officer in 2022. Insurance, facilities, fees and other related costs and professional and consultant fees remained fairly consistent between the nine months ended September 30, 2023 and 2022.

Interest income (expense), net

Interest income, net was \$2.1 million for the nine months ended September 30, 2023, compared to interest expense, net of \$0.2 million for the nine months ended September 30, 2022. The increase in interest income was primarily due to higher interest yields on our investments in 2023. Interest income (expense), 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, net

For the nine months ended September 30, 2023 and 2022, foreign currency exchange gain decreased by \$6.3 million, from \$6.8 million during the nine months ended September 30, 2022 to \$0.4 million during the nine months ended September 30, 2023. This decrease 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 September 30, 2023, we had cash, cash equivalents and investments totaling \$104.6 million, compared to cash, cash equivalents and investments of \$132.9 million as of December 31, 2022. 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 Seagen 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 Seagen Agreement for the development, manufacture and commercialization of SGN-EGFRd2 (LAVA-1223), an advanced preclinical asset that utilizes LAVA's proprietary Gammabody technology to target epidermal growth factor receptor (EGFR)-expressing solid tumors. Under the terms of the agreement, we received a \$50 million nonrefundable upfront payment in October 2022.

In July 2023, under the terms of the Janssen Agreement, we received a milestone payment of \$2.5 million from Janssen 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 in May 2023.

Cash and cash equivalents, and short-term marketable securities are financial instruments that potentially subject the Company to concentrations of credit risk. As of September 30, 2023 and December 31, 2022, cash consists of cash deposited with three financial institutions; account balances may exceed federally insured limits.

Based on our current operating plan, we believe that our existing cash, cash equivalents and investments as of September 30, 2023 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;
-

- 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 product candidates that successfully complete clinical trials;
- discover and develop additional bispecific gamma-delta 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 and Europe;
- 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 operating as a public company;
- address any events outside of our control, including, but not limited to, rising interest rates, recent and potential future pandemics or other health crises; and
- 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 international hostilities such as between Russia and Ukraine or in the Middle East.

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 Nine Months Ended September 30,	
	2023	2022
Net cash used in operating activities	\$ (28,852)	\$ (31,692)
Net cash (used in) provided by investing activities	(8,948)	13,485
Net cash (used in) provided by financing activities	(391)	299
Net decrease in cash and cash equivalents	<u>\$ (38,191)</u>	<u>\$ (17,908)</u>

Cash Flows Used in Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2023 was \$28.9 million compared to \$31.7 million for the nine months ended September 30, 2022. During the nine months ended September 30, 2023, we incurred net losses of \$35.3 million and had \$1.2 million amortization of premium on investments, primarily offset by noncash share-based compensation expenses of \$4.1 million and changes in working capital of \$3.2 million. During the nine months ended September 30, 2022, we incurred net losses of \$16.8 million, foreign currency exchange gains of \$6.8 million and changes in working capital of \$11.9 million, primarily offset by noncash share-based compensation expenses of \$3.3 million.

Cash Flows (Used in) Provided by Investing Activities

Cash flows used in investing activities for the nine months ended September 30, 2023 were \$8.9 million and primarily consisted of \$53.9 million purchases of investments and \$0.7 million of equipment purchases, offset by \$45.7 million of investments matured. Cash flows provided by investing activities for the nine months ended September 30, 2022 were \$13.5 million and primarily consisted of \$60.4 million on investments matured, offset by \$46.5 million purchases of investments and \$0.3 million of equipment purchases.

Cash Flows (Used in) Provided by Financing Activities

Cash flows used in financing activities for the nine months ended September 30, 2023 were \$0.4 million and consisted of \$0.7 million in principal payments on operating lease liabilities offset by \$0.3 million in proceeds from Innovation Credit borrowings. Cash flows provided by financing activities for the nine months ended September 30, 2022 were \$0.3 million and consisted of \$0.5 million in proceeds from Innovation Credit borrowings offset by \$0.2 million in principal payments on operating lease liabilities.

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 three 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 September 30, 2023 and 2022, and for the three and nine months ended September 30, 2023 and 2022 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 April 11, 2023 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 THERAPEUTICS PROVIDES BUSINESS UPDATE AND REPORTS THIRD QUARTER 2023 FINANCIAL RESULTS

- LAVA-1207 in mCRPC continues Phase 1/2a dose escalation study in monotherapy arm and in combination with IL-2
- Seagen initiated a Phase 1 study of SGN-EGFRd2 (LAVA-1223) to evaluate the safety and tolerability utilizing the Gammabody® platform as a monotherapy in advanced EGFR expressing solid tumors
- Selection of undisclosed lead candidate by Janssen Biotech triggered an onboarding milestone payment
- LAVA plans to submit IND for Gammabody targeting CD123 in 1H 2024 (LAVA-1266)
- Strong balance sheet with cash runway into 2026

Utrecht, The Netherlands, and Philadelphia, USA - November 16, 2023 - [LAVA Therapeutics N.V. \(Nasdaq: LVTX\)](#), a clinical-stage immuno-oncology company focused on developing its proprietary Gammabody® platform of bispecific gamma-delta T cell engagers, today announced recent corporate highlights and financial results for the quarter ended September 30, 2023.

“We continue to advance our lead program, LAVA-1207, in patients with mCRPC in our Phase 1/2a escalation study,” said Steve Hurly, president and chief executive officer of LAVA. “Our Gammabody® platform continues to receive the support of investigators and patients and enrollment remains on track. We are also pleased with the progress of our partnered programs, particularly the initiation of the Phase 1 study of SGN-EGFRd2 (LAVA-1223) in advanced solid tumors which provides additional validation of our platform. With an expected cash runway into 2026, LAVA remains well-positioned to bring meaningful benefits to patients in areas of high unmet need and to deliver shareholder value.”

LAVA-1207

Gammabody® designed to target the prostate-specific membrane antigen (PSMA) to trigger the potent and preferential killing of PSMA-positive tumor cells in patients with metastatic castration-resistant prostate cancer (mCRPC). The safety, tolerability, pharmacodynamics, immunogenicity, and preliminary anti-tumor activity of LAVA-1207 in patients with mCRPC are being evaluated in an ongoing dose escalation phase 1/2a, first-in-human study.

- Trial enrollment is progressing across 10 clinical trial sites in Europe and the United States.
- The Company expects to report additional data for the dose escalation phase of the trial in the third quarter of 2024, which if positive, we expect these results to allow us to rapidly design and enter into a dose expansion study to support a potential pivotal future trial.

Partnered Programs*Seagen- SGN-EGFRd2 (LAVA-1223)*

- During the third quarter, Seagen began recruitment in a Phase 1 study evaluating the safety and tolerability of SGN-EGFRd2 (LAVA-1223) as a monotherapy administered intravenously in advanced solid tumors. The study design has three parts: Parts A and B of the study will identify dosage for SGN-EGFRd2 and Part C will use the findings in Parts A and B for a dose to determine safety and efficacy of SGN-EGFRd2. Eligible patients for Part A include patients with colorectal cancer, non-small cell lung cancer or head and neck squamous cancer that is relapsed, refractory, or be intolerant to standard of care therapies. For more information, please refer to clinicaltrials.gov (NCT05983133).
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- Earlier this year, Janssen selected a lead candidate aimed at an undisclosed tumor-associated antigen for further development towards a phase 1 clinical trial. A milestone payment was received in July 2023.

Third Quarter 2023 Financial Results

The financial information provided below reflects changes made to previously issued consolidated financial statements to revise immaterial prior-period misstatements. Further information regarding the revision is included in LAVA's consolidated financial statements, "Note 12 — Revision of Immaterial Misstatements," included in Exhibit 99.1 to the report on Form 6-K to be filed with the SEC on the date hereof.

- As of September 30, 2023, LAVA had cash, cash equivalents and investments totaling \$104.6 million compared to cash, cash equivalents and investments of \$132.9 million as of December 31, 2022. The Company believes its current cash, cash equivalents and investments will be sufficient to fund operations into 2026.
 - Revenue from contracts with customers was less than \$0.1 million and \$15.3 million for the quarters ended September 30, 2023 and 2022, respectively, and \$3.1 million and \$16.8 million for the nine months ended September 30, 2023 and 2022, respectively. In connection with the license agreement with Seagen, we recognized less than \$0.1 million in revenue for the three months ended September 30, 2023, related to reimbursement for research activities and initial supply related stability studies. Revenue from contracts with customers was \$15.3 million for the three months ended September 30, 2022, related to the Seagen Agreement. Of that amount, \$15.2 million related to the nonrefundable upfront payment and \$0.1 million related to reimbursement for research activities.
 - Cost of providing services and sales of goods was less than \$0.1 million and zero for the quarters ended September 30, 2023 and 2022, respectively, and \$3.3 million and zero for the nine months ended September 30, 2023 and 2022, respectively. The increase in cost was due to the cost of the initial supply delivery to Seagen and related stability studies.
 - Research and development expenses were \$7.9 million and \$13.7 million for the quarters ended September 30, 2023 and 2022, respectively, and \$30.5 million and \$29.6 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease was primarily due to reduced manufacturing scale-up costs and clinical trial activities due to the discontinuation of the activities for LAVA-051, announced in June 2023.
 - General and administrative expenses were \$2.9 million and \$3.1 million for the quarters ended September 30, 2023 and 2022, respectively, and \$10.4 million and \$10.5 million for the nine months ended September 30, 2023 and 2022, respectively. The decrease for both periods was primarily due to lower personnel-related expenses due to a reduction in general and administrative headcount.
 - Net loss was \$8.8 million and net profit was \$0.9 million for the quarters ended September 30, 2023 and 2022, respectively, or \$0.34 net loss and \$0.04 net profit per share for the quarters ended September 30, 2023 and 2022, respectively. Net losses were \$35.5 million and \$17 million for the nine months ended September 30, 2023 and 2022, respectively, or \$1.35 and \$0.66 net loss per share for the nine months ended September 30, 2023 and 2022, respectively.
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LAVA Therapeutics N.V.
Condensed Consolidated Interim Statements of Profit and Loss
and Comprehensive Profit and Loss
(in thousands, except share and per share amounts) (unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue from contracts with customers	\$ 53	\$ 15,261	\$ 6,416	\$ 16,751
Cost of sales of goods	—	—	(2,546)	—
Cost of providing services	(10)	—	(782)	—
Gross profit	43	15,261	3,088	16,751
Operating expenses:				
Research and development	(7,912)	(13,697)	(30,454)	(29,565)
General and administrative	(2,858)	(3,135)	(10,445)	(10,545)
Total operating expenses	(10,770)	(16,832)	(40,899)	(40,110)
Operating loss	(10,727)	(1,571)	(37,811)	(23,359)
Interest income (expense), net	809	39	2,124	(214)
Foreign currency exchange gain, net	1,132	2,515	429	6,763
Total non-operating income	1,941	2,554	2,553	6,549
(Loss) Profit before income tax	(8,786)	983	(35,258)	(16,810)
Income tax expense	(50)	(47)	(218)	(182)
(Loss) Profit for the period	\$ (8,836)	\$ 936	\$ (35,476)	\$ (16,992)
Items that may be reclassified to profit or loss				
Foreign currency translation adjustment	(1,385)	(5,359)	(82)	(14,220)
Total comprehensive loss	\$ (10,221)	\$ (4,423)	\$ (35,558)	\$ (31,212)
(Loss) Profit per share:				
(Loss) Profit per share, basic	\$ (0.34)	\$ 0.04	\$ (1.35)	\$ (0.66)
Weighted-average common shares outstanding, basic	26,289,087	25,845,802	26,289,087	25,800,973
(Loss) Profit per share, diluted	\$ (0.34)	\$ 0.04	\$ (1.35)	\$ (0.66)
Weighted-average common shares outstanding, diluted	26,289,087	26,446,259	26,289,087	25,800,973

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

	September 30, 2023	December 31, 2022
Assets		
Non-current assets:		
Property and equipment, net	\$ 1,715	\$ 1,432
Right-of-use assets	1,062	651
Other non-current assets and security deposits	326	809
Total non-current assets	3,103	2,892
Current assets:		
Receivables and other	1,077	3,254
Prepaid expenses and other current assets	1,906	4,411
VAT receivable	307	—
Investments	41,964	32,535
Cash and cash equivalents	62,663	100,333
Total current assets	107,917	140,533
Total assets	\$ 111,020	\$ 143,425
Equity and Liabilities		
Equity:		
Share capital	\$ 3,715	\$ 3,715
Equity-settled employee benefits reserve	11,421	8,942
Foreign currency translation reserve	(13,054)	(12,972)
Additional paid-in capital	194,424	194,424
Accumulated deficit	(141,910)	(108,069)
Total equity	54,596	86,040
Non-current liabilities:		
Deferred revenue	35,000	35,000
Lease liabilities	671	431
Total non-current liabilities	35,671	35,431
Current liabilities:		
Trade payables and other	9,384	3,965
VAT payable	—	45
Borrowings	4,944	4,640
Lease liabilities	580	379
License liabilities	—	4,732
Accrued expenses and other current liabilities	5,845	8,193
Total current liabilities	20,753	21,954
Total liabilities	56,424	57,385
Total equity and liabilities	\$ 111,020	\$ 143,425

About LAVA Therapeutics

LAVA Therapeutics N.V. is a clinical-stage immuno-oncology company focused on developing its proprietary Gammabody® platform to develop a portfolio of bispecific gamma-delta T cell engagers for the potential treatment of solid and hematologic malignancies. The Company utilizes bispecific antibodies engineered to selectively kill cancer cells by triggering Vγ9Vδ2 (Vgamma9 Vdelta2) T cell antitumor effector functions upon cross-linking to tumor-associated antigens. A Phase 1/2a dose escalation clinical study to evaluate LAVA-1207 in patients with metastatic castration-resistant prostate cancer (mCRPC) is actively enrolling in Europe and the United States (NCT05369000). The Company's collaborations include a license agreement with Seagen for the clinical development of SGN-EGFRd2 (LAVA-1223). For more information, please visit and follow us on [LinkedIn](#), [X](#) (formerly known as [Twitter](#)), and [YouTube](#).

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 about the expected safety profile of LAVA's product candidates, preclinical data, clinical development and the scope of clinical trials, including the availability of data therefrom, expectations regarding enrollment in clinical trials, the potential use of the Company's product candidates to treat various tumor targets, and the Company's expected cash runway. Many factors, risks and uncertainties may cause differences between current expectations and actual results including, among other things, the timing and results of LAVA's research and development programs and preclinical and 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 Company's ability to obtain regulatory approval for and commercialize its product candidates, including combinations of LAVA product candidates to increase the number of Vγ9Vδ2-T cells, the Company's ability to leverage its initial programs to develop additional product candidates using our Gammabody® platform, including the expectation of submitting an IND for LAVA-1266 in 1H2024 and the failure of LAVA's collaborators to support or advance collaborations or LAVA's product candidates. 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, rising interest rates, recent and potential future pandemics and other health crises, hostilities between Russia and Ukraine or in the Middle East, and recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures. 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

Argot Partners (IR/Media)
212-600-1902
lava@argotpartners.com
