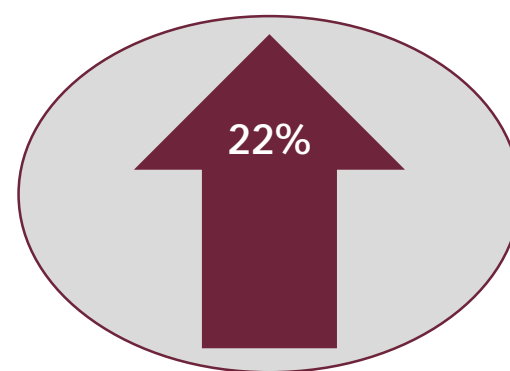


Demonstrated Performance for Investors

- Outperformed the NBI Index **by 22%** in 2016
- Differentiated products addressing a **\$20+ billion market**
- **32% quarterly** compounded growth rate in royalty revenue in last 10 quarters
- **\$210 million** returned to investors since Q1 2015
- Continuing to reduce operating expenses as a percent of total net revenue (**14% in Q4 2016**)



Outperformed the NBI Index **by 22%** in 2016

Significant Global Market Opportunity

COPD Market Growth Drivers:

- Expansion of aging population
- Patients diagnosed earlier

Large, Stable Asthma Market:

- Data from 2014 suggests that across the US, Japan, and EU-5, ~60% of ICS/LABA sales were for use in Asthma

RELVAR®/ BREO® ELLIPTA®

- Approved for COPD/Asthma, marketed globally
- US Market Share: 23% NBRx; 14.8% TRx (3.5% TRx market share growth since end Q3 2016)*
- \$273 million Global Net Sales in Q4 2016

ANORO® ELLIPTA®

- Approved for COPD, marketed globally
- US Market Share: 19.8% NBRx; 11.3% TRx (6% TRx market share growth since start of 2016)*
- \$91 million Global Net Sales in Q4 2016

\$20+ Billion

Global Long-Acting Bronchodilator Market

*Source: This information is an estimate derived from the use of information under license from the following IMS Health Inc. information service: National Prescription Audit for the period ending February 17, 2017. IMS expressly reserves all rights, including rights of copying, distribution and republication.

Long Duration Royalty Portfolio with Cash Return Priority

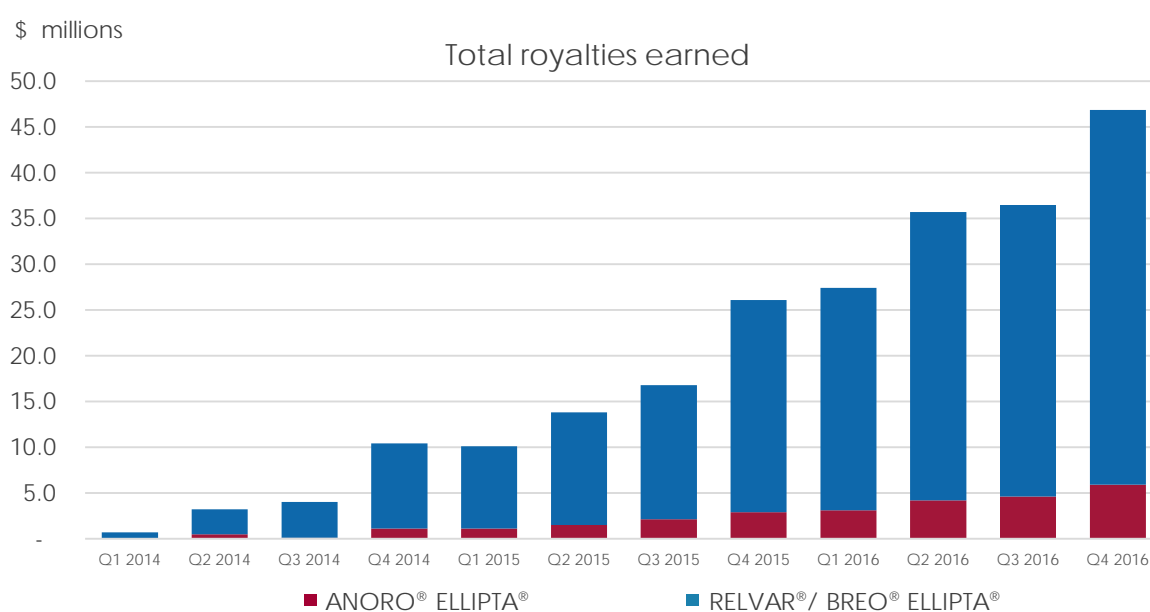
- **Strong Patent Estate with GSK**
- **Long Duration Royalty Portfolio**
 - Greater of 15 years from launch or last valid patent
 - Royalties extend into late 2020s

RELVAR®/ BREO® ELLIPTA®

- GSK pays 15% royalty on first \$3.0B of annual global net sales; 5% for all annual global net sales above \$3.0B

ANORO® ELLIPTA®

- GSK pays upward tiering of 6.5% to 10% royalties on annual global net sales



Demonstrated Cash Generating Capacity & Strong Balance Sheet

Q4 2016 growth vs. Q4 2015

- Royalty revenue: **↑ 80%**
- Operating income: **↑ 118%**
- Net income: **↑ 492%**

Well Capitalized

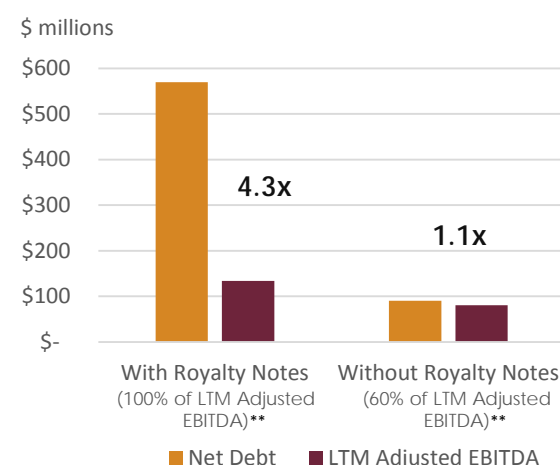
Strong cash position (\$150M)¹

Royalty Notes (\$487M)¹

- Non-recourse feature limits cash to debt ratio risk
- 40% cash sweep provides repayment flexibility

Convertible Notes (\$241M)¹

- Represents low-cost debt complement



1. Figures as of 12/31/16

**Non-GAAP Financial Measure, please refer to Appendix for reconciliation to GAAP Measures

Forward-Looking Statements

This presentation contains certain “forward-looking” statements as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, statements relating to goals, plans, objectives and future events. Innoviva intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “expect”, “goal”, “intend”, “objective”, “opportunity”, “plan”, “potential”, “target” and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements involve substantial risks, uncertainties and assumptions. These statements are based on the current estimates and assumptions of the management of Innoviva as of the date of this presentation and are subject to risks, uncertainties, changes in circumstances, assumptions and other factors that may cause the actual results of Innoviva to be materially different from those reflected in the forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, risks related to: lower than expected future royalty revenue from respiratory products partnered with GSK, the commercialization of RELVAR®/BREO® ELLIPTA® and ANORO® ELLIPTA® in the jurisdictions in which these products have been approved; the strategies, plans and objectives of Innoviva (including Innoviva’s growth strategy and corporate development initiatives beyond the existing respiratory portfolio); the timing, manner, amount and planned growth of anticipated potential capital returns to stockholders (including, without limitation, statements regarding Innoviva’s expectations of future purchases under its capital return programs and future cash dividends); the status and timing of clinical studies, data analysis and communication of results; the potential benefits and mechanisms of action of product candidates; expectations for product candidates through development and commercialization; the timing of regulatory approval of product candidates; and projections of revenue, expenses and other financial items. Other risks affecting Innoviva are described under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in Innoviva’s Annual Report on Form 10-K for the year ended December 31, 2016, which is on file with the Securities and Exchange Commission (“SEC”) and available on the SEC’s website at www.sec.gov. In addition to the risks described above and in Innoviva’s other filings with the SEC, other unknown or unpredictable factors also could affect Innoviva’s results. Past performance is not necessarily indicative of future results. No forward-looking statements can be guaranteed and actual results may differ materially from such statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. The information in this presentation is provided only as of March 6, 2017, and Innoviva assumes no obligation to update its forward-looking statements on account of new information, future events or otherwise, except as required by law.

Use of Non-GAAP Financial Measures

In certain circumstances, results have been presented that are not generally accepted accounting principles measures (“Non-GAAP”) and should be viewed in addition to, and not as a substitute for, Innoviva’s reported results. Innoviva believes that the non-GAAP financial information provided in this presentation can assist investors in understanding and assessing Innoviva’s on-going operations and prospects for the future and provides an additional tool for investors to use in comparing Innoviva’s financial results with other companies in Innoviva’s industry or with similar operating profiles. Investors are encouraged to review the reconciliation of Innoviva’s non-GAAP financial measures to their most directly comparable GAAP financial measures.

Please see the financial table below entitled “Reconciliation of GAAP to Non-GAAP Operating Results” for additional information and the reconciliations of these non-GAAP financial measures to the closest GAAP financial measures.

Reconciliation of Non-GAAP Financial Measures to GAAP

In certain circumstances, results have been presented that are not generally accepted accounting principles measures ("Non-GAAP") and should be viewed in addition to, and not as a substitute for, Innoviva's reported results. Innoviva believes that the non-GAAP financial information provided in this presentation can assist investors in understanding and assessing Innoviva's on-going operations and prospects for the future and provides an additional tool for investors to use in comparing Innoviva's financial results with other companies in Innoviva's industry or with similar operating profiles. Investors are encouraged to review the reconciliation of Innoviva's non-GAAP financial measures to their most directly comparable GAAP financial measures.

Please see the reconciliation below for additional information and the reconciliations of these non-GAAP financial measures to the closest GAAP financial measures.

Reconciliation of GAAP to Non-GAAP Operating Results

(in thousands)

	Eight Quarters Ended Dec. 31, 2016 (unaudited)	Twelve Months Ended Dec. 31, 2016 (unaudited)
EBITDA:		
GAAP net income	\$ 40,776	\$ 59,536
Non-GAAP adjustments:		
Interest expense (income), net	103,294	51,834
Stock-based compensation	15,171	8,297
Depreciation	240	131
Amortization of capitalized fees paid to a related party	27,646	13,823
Adjusted EBITDA	\$ 187,127	\$ 133,621

Where to Find Additional Information

Innoviva, its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies from stockholders in connection with Innoviva's 2017 annual meeting of stockholders (the "2017 Annual Meeting"). On March 7, 2017, Innoviva filed a preliminary proxy statement with the SEC in connection with the solicitation of proxies for the 2017 Annual Meeting. Prior to the 2017 Annual Meeting, Innoviva will furnish a definitive proxy statement to its stockholders (the "2017 Proxy Statement"), together with a WHITE proxy card. STOCKHOLDERS ARE URGED TO READ THE 2017 PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT INNOVIVA WILL FILE WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Additional information regarding the identity of these potential participants and their direct or indirect interests, by security holdings or otherwise, is set forth in the preliminary proxy statement for the 2017 Annual Meeting and will be set forth in the 2017 Proxy Statement and other materials to be filed with the SEC in connection with the 2017 Annual Meeting.

Stockholders will be able to obtain, free of charge, copies of the 2017 Proxy Statement, any amendments or supplements thereto and any other documents (including the WHITE proxy card) when filed by Innoviva with the SEC in connection with the 2017 Annual Meeting at the SEC's website (<http://www.sec.gov>), at Innoviva's website (<http://investor.inva.com/sec.cfm>), by email at investor.relations@inva.com or by mail at Innoviva, Inc., Attn: Investor Relations, 2000 Sierra Point Parkway, Suite 500, Brisbane, California 94005. In addition, copies of the proxy materials, when available, may be requested from Innoviva's proxy solicitor, Innisfree M&A Incorporated at 501 Madison Ave, 20th Floor, New York, NY 10022 or toll-free at (888) 750-5834.