



SARISSA CAPITAL

M A N A G E M E N T L P

Innoviva Investor Presentation
April 18, 2017

SPECIAL NOTE REGARDING THIS PRESENTATION

ON MARCH 22, 2017, SARISSA CAPITAL MANAGEMENT LP ("SARISSA"), TOGETHER WITH THE OTHER PARTICIPANTS IN SARISSA'S PROXY SOLICITATION (THE "PARTICIPANTS"), FILED A DEFINITIVE PROXY STATEMENT AND ACCOMPANYING GOLD PROXY CARD WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") TO BE USED TO SOLICIT PROXIES IN CONNECTION WITH THE 2017 ANNUAL MEETING OF SHAREHOLDERS OF INNOVIVA, INC. (THE "COMPANY"). SHAREHOLDERS ARE ADVISED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER DOCUMENTS RELATED TO THE SOLICITATION OF PROXIES FROM THE SHAREHOLDERS OF THE COMPANY BECAUSE THEY CONTAIN IMPORTANT INFORMATION, INCLUDING INFORMATION RELATING TO THE PARTICIPANTS. THE DEFINITIVE PROXY STATEMENT AND A FORM OF PROXY IS AVAILABLE TO SHAREHOLDERS OF THE COMPANY AT NO CHARGE AT THE SEC'S WEBSITE AT WWW.SEC.GOV. THE DEFINITIVE PROXY STATEMENT AND A FORM OF PROXY IS ALSO AVAILABLE BY CONTACTING SARISSA'S PROXY SOLICITOR, D.F. KING & CO., INC., BY TELEPHONE AT THE FOLLOWING NUMBERS: STOCKHOLDERS CALL TOLL-FREE: (800) 549-6746 AND BANKS AND BROKERAGE FIRMS CALL: (212) 269-5550, OR THROUGH THE INTERNET AT WWW.DFKING.COM/INVA.

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Innoviva's board and management have destroyed shareholder value while enriching themselves and condoning poor corporate governance

Innoviva's issues include:

- Exorbitant expenses
- Egregious compensation
- Poor corporate governance

The current board appears incapable of providing the necessary oversight of the CEO who dominates decision-making

All three independent proxy voting and governance firms agree that Innoviva needs change

ISS, Glass Lewis and Egan-Jones all recommend that Innoviva shareholders vote on Sarissa's GOLD PROXY CARD

Innoviva's recent cost-cut flip-flopping underscores the need for shareholder oversight

- Before April 13, 2017
 - Innoviva touts that it is “a very lean company” and warns against cost cuts
- April 13, 2017 – Innoviva admits Sarissa was right all along
 - Innoviva announces vague plans to “review” costs that will “result in meaningful savings” and “will benefit our financial performance.”
- April 17, 2017 – Innoviva appears to renege on cost cuts
 - Innoviva again touts current lean cost structure and no longer says the review of costs will result in anything “meaningful” or will “benefit our financial performance”

Even Innoviva must have realized it cannot claim to be lean and promise to deliver meaningful cost cuts in the same breath

And Innoviva has still not addressed its poor corporate governance

Innoviva's corporate governance as described by Glass Lewis:

“Compounding our concern is a corporate governance framework that appears problematically malleable and largely ineffective, in each case as an extension of the seemingly significant influence of current CEO Michael Aguiar.”

Source: Glass Lewis report. We have not sought, nor have we received, permission to include this information

And, sadly, Innoviva touts good governance that is anything but

- During this proxy contest, Innoviva proudly released a manufactured timeline in connection with adding two director nominees



- As Glass Lewis notes, “A closer look, however, raises additional questions around the effectiveness and independence of the committee.”

“Among other things, we note the following:” (Glass Lewis)

- “Notwithstanding a stated intention to identify candidates “for review by the Company’s Nominating/Corporate Governance Committee”, a substantial portion of the initial vetting appears to have been undertaken solely by former committee chair Paul Pepe;”
- “In addition to Mr. Pepe’s efforts, key portions of the process are heavily marked by the participation of CEO Michael Aguiar, as well as the bizarrely extensive inclusion of Cathy Friedman, who is not a member of the nominating and corporate governance committee;”
- “Despite a process starting in May 24, 2016, the other two members of the committee -- William Waltrip and James Tyree -- were not expressly involved in the candidate evaluation and interview process until September 22, 2016;”
- “Advice offered by external counsel regarding director appointments was not given to the full committee, but, instead, only to Mr. Pepe and CEO Michael Aguiar;”
- “In the late stages of the process, the chair of the committee -- without any clear inclusion of Messrs. Tyree or Waltrip -- reported to the full board regarding Mr. LePore;”
- “On October 26, 2016, the committee held a nebulously defined “concurrent meeting” during a regularly scheduled board meeting, leaving considerable ambiguity around the ability of all committee members -- including members Tyree and Waltrip -- to independently discuss then-candidate Pepe;”
- “In the subsequent process relating to Ms. Duncan, disclosure indicates that in lieu of full, unambiguous support by all members of the nominating and corporate governance committee, the plan to appoint Ms. Duncan was instead supported by Mr. Waltrip, as a non-chair member of the committee, Cathy Friedman, a non-member of the committee, and Michael Aguiar, Innoviva’s CEO; and”
- “On November 18, 2016, the committee held yet another “concurrent meeting”, eventually resulting in, among other things, the appointment of Ms. Duncan.”

Source: Glass Lewis report. We have not sought, nor have we received, permission to include this information

With Sarissa's nominees, Innoviva did not even pretend to go through the NomGov process

The NomGov committee did not even bother to meet with Sarissa or any of our nominees before deciding to reject them

One Nom-Gov committee member had a 15-minute phone call with each of only two Sarissa nominees the day before Innoviva publicly rejected Sarissa's entire slate

Yet, Innoviva reports that "Members of Innoviva's Board subsequently interviewed and carefully assessed Sarissa's candidates..."



Despite these issues at Innoviva, in an act of clairvoyance at around 9 pm in London on April 13, 2017 before the holiday weekend – GSK announces support of Innoviva within minutes of (and referencing) Innoviva’s public admission that it will review its cost and compensation structures

In spite of Innoviva’s repeated insistence that it is “a very lean company”

Innoviva is in dire need of independent shareholder oversight and shareholder representation on the board

- Sarissa has had very positive conversations with many of Innoviva's largest shareholders
- Each of ISS, Glass Lewis and Egan-Jones recommends Sarissa nominees
- The support for our position has been overwhelming
- With the support of independent shareholders, we can overcome GSK's questionable endorsement of Innoviva and bring about much needed change at the company

We need all independent shareholders to vote now on the GOLD CARD for our nominees

We urge you to VOTE THE GOLD PROXY CARD

- Time is of the essence. We urge you to VOTE THE GOLD PROXY CARD to help us fix the problems at Innoviva. If you want to follow the recommendations of ISS, Glass Lewis and Egan-Jones and vote for Sarissa nominees YOU MUST VOTE ON THE GOLD CARD AND YOU CANNOT VOTE THE WHITE CARD. Returning a white card, even if you withhold on Innoviva's nominees, will not be a vote for the Sarissa nominees, and it would revoke any vote you previously submitted on the GOLD CARD. PLEASE VOTE NOW by signing, dating and returning the GOLD proxy card or by voting by phone or internet.
- If you have any questions regarding your GOLD proxy card or need assistance in voting, please contact our proxy solicitor:

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