

# Innoviva Reports First Quarter 2024 Financial Results; Highlights Recent Company Progress

May 8, 2024

Core royalty platform on track; receiving GSK royalties of \$61.9 million

Achieved net product revenues of \$19.1 million, representing 66% year-over-year growth driven by launch of XACDURO® and growth of key core product GIAPREZA®

Strong pipeline progress: positive Phase 3 zoliflodacin clinical trial results in uncomplicated gonorrhea highlighted at ESCMID Global 2024; on track to submit NDA in early 2025

Derek Small appointed to the Company's Board of Directors

BURLINGAME, Calif.--(BUSINESS WIRE)--May 8, 2024-- Innoviva, Inc. (NASDAQ: INVA) ("Innoviva" or the "Company"), a diversified holding company with a core royalties portfolio, a leading critical care and infectious disease platform known as Innoviva Specialty Therapeutics ("IST"), and a portfolio of strategic investments in healthcare assets, today reported financial results for the first quarter ended March 31, 2024, and highlighted select corporate achievements.

"Our first quarter financial results continue to demonstrate the successful transformation for Innoviva. We had a strong performance driven by resilient cash flows from our core GSK royalties portfolio and robust revenue growth across our commercial products marketed by IST, a leader in critical care medicine and infectious disease," said Pavel Raifeld, Chief Executive Officer of Innoviva. "We also remain laser focused on utilizing our strong financials to drive shareholder value by continuing to exercise cost discipline, investing prudently in our strategic healthcare assets, and completing our share buyback plan."

Matt Ronsheim, Ph.D., President of IST, noted: "Our IST platform is a powerful engine for growth anchored by a robust portfolio of differentiated life saving therapies. We are pleased with our first quarter performance, led by the strong launch of our novel therapeutic XACDURO®. Our core products GIAPREZA® and XERAVA® continue to grow, propelled by increasing awareness of our strong data underscoring the value of our products. We are also excited about our lead pipeline product, zoliflodacin, a potential first in class well tolerated oral drug for uncomplicated gonorrhea, whose Phase 3 data was highlighted in an oral presentation by our non-profit partner GARDP at ESCMID Global 2024, the largest global infectious disease congress. We remain on track to submit our New Drug Application for zoliflodacin in early 2025."

#### **Financial Highlights**

- Royalty revenue: First quarter 2024 gross royalty revenue from Glaxo Group Limited ("GSK") was \$61.9 million, compared to \$60.3 million for the first quarter of 2023.
- **Net Product Sales:** First quarter 2024 net product sales and license revenue were \$19.1 million, which included \$12.1 million from GIAPREZA®, \$4.8 million from XERAVA®, and \$2.2 million from XACDURO®, a 66% increase compared to \$11.5 million for the first quarter of 2023.
- Equity and long-term investments: First quarter 2024 net change in fair values of equity and long-term investments of \$22.0 million was primarily attributable to Armata Pharmaceuticals ("Armata") share price appreciation.
- **Net income**: First quarter 2024 net income was \$36.5 million, or \$0.58 basic per share, compared to a net income of \$34.9 million, or \$0.51 basic per share, for the first quarter of 2023.
- Share repurchases: During the first quarter 2024, Innoviva repurchased 0.6 million shares of its outstanding common stock for \$9.7 million. Subsequent to March 31, 2024, and through April 25, 2024, we completed the program by repurchasing 0.4 million shares for a total amount of approximately \$5.3 million.
- Cash and cash equivalents: Totaled \$178.4 million. Royalty and net product sales receivables totaled \$76.0 million as of March 31, 2024.

## Key Business and R&D Highlights

- XACDURO® (sulbactam for injection; durlobactam for injection), co-packaged for intravenous use: targeted antibacterial for patients with HABP/VABP caused by *Acinetobacter* 
  - Following the launch in September 2023, commercial efforts continue to deliver strong performance with growing number of health systems integrating XACDURO® into their protocols.
- Zoliflodacin: a potential first-in-class, single dose, oral antibiotic in development for the treatment of patients with uncomplicated gonorrhea
  - Positive Phase 3 zoliflodacin clinical trial results highlighted in an oral presentation given by the Company's non-profit partner, The Global Antibiotic Research & Development Partnership (GARDP), at the European Society of Clinical Microbiology and Infectious Disease Global Congress (ESCMID Global 2024).
  - o The data showed that in the micro-intent-to-treat population (n=744), zoliflodacin achieved a microbiological cure rate of 90.9%, a 5.3% difference compared to ceftriaxone and azithromycin, the current global standard of care, which achieved a 96.2% cure rate (95% CI: 1.4%, 8.7%). Microbiological cure rates at extragenital sites were comparable between treatment arms (secondary endpoints). Zoliflodacin was generally well tolerated and emergent

adverse events were comparable between treatment arms (46.2% vs 46.4%). No deaths or other serious adverse events were reported.

o The Company expects a New Drug Application to be submitted to the U.S. FDA in early 2025.

### **Strategic Healthcare Assets**

Our portfolio of strategic assets under the Company's various subsidiaries was valued at \$628.4 million as of March 31, 2024, compared to \$561.0 million as of December 31, 2023. In the first quarter 2024, Innoviva invested an additional \$35.0 million in one of our assets, Armata, to help advance its lead therapeutic phage candidates. In addition, Innoviva invested an additional \$5.8 million, with accrued interest, in Gate Neurosciences to support its strategy of developing next generation targeted CNS therapies, and an additional \$2.7 million into ImaginAb Inc. to support its radiopharmaceutical platform.

## **Corporate Updates**

- In April 2024, Derek Small, an accomplished biopharmaceutical entrepreneur and executive, joined the Company's Board
  of Directors.
- Management will participate in the upcoming Bank of America Securities Health Care Conference, taking place on May 15, 2024, in Las Vegas. A live webcast of the Company's corporate presentation is scheduled for 9:20 a.m. PT and can be accessed here. An archived replay will be available following the event.

### **About Innoviva**

Innoviva is a diversified holding company with a core royalties portfolio, a leading critical care and infectious disease platform known as Innoviva Specialty Therapeutics ("IST"), and a portfolio of strategic investments in healthcare assets. Innoviva's royalty portfolio includes respiratory assets partnered with Glaxo Group Limited ("GSK"). Innoviva is entitled to receive royalties from GSK on sales of RELVAR®/BREO® ELLIPTA® and ANORO® ELLIPTA®. Innoviva's other innovative healthcare assets include infectious disease and critical care assets stemming from acquisitions of Entasis Therapeutics, including XACDURO® (sulbactam for injection; durlobactam for injection), co-packaged for intravenous use approved for the treatment of adults with hospital-acquired bacterial pneumonia and ventilator-associated bacterial pneumonia caused by susceptible strains of *Acinetobacter baumannii-calcoaceticus* complex and the investigational zoliflodacin currently being developed for the treatment of uncomplicated gonorrhea, and La Jolla Pharmaceutical Company, including GIAPREZA® (angiotensin II), approved to increase blood pressure in adults with septic or other distributive shock and XERAVA® (eravacycline) for the treatment of complicated intra-abdominal infections in adults.

ANORO®, RELVAR® and BREO® are trademarks of the GSK group of companies.

## **Forward Looking Statements**

This press release 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 press release and are subject to known and unknown 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: expected cost savings; lower than expected future royalty revenue from respiratory products partnered with GSK; the commercialization of RELVAR®/BREO® ELLIPTA®, ANORO® ELLIPTA®, GIAPREZA®, XERAVA® and XACDURO® 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); the timing, manner, and amount of potential capital returns to shareholders; 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; the impact of the novel coronavirus ("COVID-19"); the timing, manner and amount of capital deployment, including potential capital returns to stockholders; and risks related to the Company's growth strategy. 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, 2023 and Quarterly Reports on Form 10-Q, which are on file with the Securities and Exchange Commission ("SEC") and available on the SEC's website at www.sec.gov. 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 press release is provided only as of the date hereof, and Innoviva assumes no obligation to update its forwardlooking statements on account of new information, future events or otherwise, except as required by law.

INNOVIVA. INC.

Condensed Consolidated Statements of Income and Comprehensive Income (in thousands, except per share data)

(Unaudited)

Three Months Ended March 31,

Revenue:         Seat 15         \$ 58,85           Net product sales         19,084         11,514           Lices Revenue         7,49         76,000           Total revenue         77,90         76,000           Expenses:         2         10,971         8,749           Cost of products sold (inclusive of amortization of inventory fair value adjustments)         10,971         8,749           Cost of license revenue         3,0405         19,735           Selling, general and administrative         3,0405         19,735           Research and development         3,640         3,805           Amortization of acquired intengible assets         6,440         3,805           Changes in fair values of equity method investments, net         13,335         2,15817           Changes in fair values of equity and long-term investments, set         13,335         2,15817           Changes in fair values of equity and long-term investments, set         13,335         2,15817           Changes in fair values of equity and long-term investments, set         13,335         2,15817           Changes in fair values of equity and long-term investments, set         13,252         1,146           Total expenses         5,851         3,252           Net income and compress thane         8,562			2024		2023	
Net product sales         19,084         11,514           Licese Revenue         7,499         76,300           Total revenue         7,499         76,372           Expenses         5         5           Cost of products sold (inclusive of amortization of inventory fair value adjustments)         10,971         8,749           Cost of lices revenue         30,405         19,735           Research and development         30,405         19,783           Research and development of acquired intangible assets         6,440         3,805           Changes in fair values of equity method investments, net         (35,342)         (15,817)           Changes in fair values of equity and long-term investments, net         13,335         2,164           Interest expense         5,851         4,427           Other expense, net         5,851         4,427           Other expense, net         32,375         35,232           Income before income taxes         45,124         41,140           Income tax expense         8,592         6,275           Net income and comprehensive income         \$ 0,58         0,51           Basic         \$ 0,58         0,51           Diluted         63,185         67,786           Diluted	Revenue:					
License Revenue         77,499         76,372           Total revenue         77,499         76,372           Expenses:         Cost of products sold (inclusive of amortization of inventory fair value adjustments)         10,971         8,748           Cost of license revenue         9,045         11,000           Selling, general and administrative         3,876         12,588           Research and development         3,876         12,588           Research and development of equity method investments, net         (35,342)         (15,817)           Changes in fair values of equity method investments, net         13,335         2,164           Interest and dividend income         (4,399)         3,365           Interest expense, net         3,2375         35,232           Other expense, net         4,124         4,174           Income before income taxes         45,124         41,140           Income before income taxes         8,592         6,275           Net income per share         8,592         6,275           Diluted         8,058         9,058         9,058           Diluted         8,152         6,786         9,058         9,058           Diluted         8,153         6,786         9,058         9,058 <t< th=""><th>Royalty revenue, net (1)</th><th>\$</th><th>58,415</th><th>\$</th><th>56,858</th></t<>	Royalty revenue, net (1)	\$	58,415	\$	56,858	
Total revenue         77.499         76.372           Expenses:         10.971         8.749           Cost of products sold (inclusive of amortization of inventory fair value adjustments)         10.971         8.749           Cost of incense revenue         - 1,600         1.900         1.900           Selling, general and administrative         30.405         19.735         12.588           Research and development         6.440         3.005         10.581           Amortization of acquired intangible assets         6.440         3.005         10.581         10.581           Changes in fair values of equity method investments, net         13.355         2.164         11.616         11.581         1.462         1.616         1.616         1.615         1.615         1.616	Net product sales		19,084		11,514	
Expenses:         Cost of products sold (inclusive of amortization of inventory fair value adjustments)         10,971         8,74e           Cost of products sold (inclusive of amortization of inventory fair value adjustments)         1 - 1,600         1,600           Cost of license revenue         3,0405         19,735           Research and development         3,878         12,588           Amortization of acquired intagible assets         6,440         3,805           Changes in fair values of equity method investments, net         (35,342)         (15,817)           Changes in fair values of equity and long-term investments, net         (33,335)         2,164           Interest expense         5,851         4,427           Other expense, net         1,236         1,346           Total expenses         32,375         35,232           Income before income taxes         4,592         6,275           Net income and comprehensive income         \$ 36,532         \$ 34,865           Net income per share         \$ 9,58         \$ 0,51           Basic         \$ 0,58         \$ 0,51           Diluted         \$ 3,85         67,786           Diluted         \$ 4,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Montacture Locati	License Revenue				8,000	
Cost of products sold (inclusive of amortization of inventory fair value adjustments)         10,971         8,749           Cost of license revenue         -         1,600           Selling, general and administrative         30,405         19,735           Research and development         3,878         12,588           Amortization of acquired intangible assets         6,440         3,805           Changes in fair values of equity and long-term investments, net         13,335         2,164           Interest and dividend income         (4,399)         (3,365)           Interest expense         5,851         4,427           Other expense, net         1,236         1,246           Total expenses         32,375         35,232           Income before income taxes         45,124         41,140           Income tax expense         8,592         6,275           Net income and comprehensive income         8,058         8,058           Basic         9,058         9,058           Diluted         8,058         9,058           Shares used to compute net income per share         8,363         8,786           Basic         63,185         67,786           Diluted         84,531         8,786           (1) Total net revenue	Total revenue		77,499		76,372	
Cost of license revenue         1,600           Selling, general and administrative         30,405         19,735           Research and development         3,678         12,588           Amortization of acquired intangible assets         6,440         3,805           Changes in fair values of equity method investments, net         13,335         2,1646           Interest and dividend income         (4,399)         (3,365)           Interest expense         5,851         4,427           Other expenses, net         1,236         1,236           Total expenses         32,375         35,232           Income before income taxes         45,124         41,140           Income tax expense         8,592         6,275           Net income and comprehensive income         \$ 36,532         34,865           Pullude         \$ 0,58         0,51           Diluted         \$ 0,58         0,51           Shares used to compute net income per share         \$ 0,58         0,51           Basic         6 3,185         67,786           Diluted         84,531         89,786           Other expense used to compute net income per share         \$ 2,20         20,20           Basic         6 3,185         6 7,786	Expenses:		-			
Selling, general and administrative         30,405         19,735           Research and development         3,878         12,588           Amortization of acquired intangible assets         6,440         3,805           Changes in fair values of equity method investments, net         (35,342)         (15,817)           Changes in fair values of equity and long-term investments, net         13,335         2,164           Interest and dividend income         (4,399)         (3,365)           Interest expense         5,851         4,427           Other expense, net         1,236         1,346           Total expenses         45,124         41,140           Income before income taxes         45,124         41,140           Income tax expense         8,592         6,275           Net income per share         \$ 0,58         \$ 0,51           Basic         \$ 0,58         \$ 0,51           Diluted         \$ 0,48         \$ 0,42           Shares used to compute net income per share           Basic         6 3,185         67,786           Diluted         84,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Mortization of 2,402           Royalties         \$	Cost of products sold (inclusive of amortization of inventory fair value adjustments)		10,971		8,749	
Research and development Amortization of acquired intangible assets         3,878 (4,38) (12,588)           Amortization of acquired intangible assets         6,440 (3,505) (15,817)           Changes in fair values of equity method investments, net Interest and dividend income (4,399) (3,365) (1614)         13,335 (2,164)           Interest expense         5,851 (4,272) (3,365)           Other expense, net (32,375 (35,232)         1,236 (3,2375) (3,232)           Income before income taxes         45,124 (41,140)           Income tax expense         8,592 (5,275) (3,232)           Net income and comprehensive income         3,36,532 (3,236) (3,245)           Net income per share         \$ 0,58 (5,232) (3,245)           Basic (3,365) (3,245) (3,245) (3,245)         5,272 (3,245) (3,245)           Diluted (3,345) (3,345) (3,245) (3,245) (3,245)         6,3,185 (3,185) (3,245) (3,245)           (1) Total net revenue is comprised of the following (in thousands):         Three Month of the following (1,245) (3,245) (3,245) (3,245) (3,245)           Royalties (3,345) (3,345) (3,345) (3,345) (3,345) (3,345) (3,345)         6,3,185 (3,345) (3,345) (3,345) (3,345)	Cost of license revenue		-		1,600	
Amortization of acquired intangible assets         6,440         3,805           Changes in fair values of equity method investments, net         (35,342)         (15,817)           Changes in fair values of equity method investments, net         13,335         2,164           Interest and dividend income         (4,399)         (3,365)           Interest expense         5,851         4,427           Other expense, net         1,236         1,346           Total expenses         32,375         35,232           Income before income taxes         45,124         41,140           Income before income taxes         8,592         6,275           Net income and comprehensive income         \$ 36,532         \$ 34,865           Net income per share         \$ 0,58         \$ 0,51           Basic         \$ 0,58         \$ 0,51           Diluted         \$ 0,46         \$ 0,42           Shares used to compute net income per share         \$ 63,185         67,786           Basic         6 3,185         67,86           Diluted         84,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Mortage in the following in thousands:           Total experimental incomental incomental incomental incomental incomental inc	Selling, general and administrative		30,405		19,735	
Changes in fair values of equity method investments, net Changes in fair values of equity and long-term investments, net Interest and dividend income (4,399) (3,686) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (1,497) (3,465) (3,466) (3,465) (3,466) (3,465) (3,466)	Research and development		3,878		12,588	
Changes in fair values of equity and long-term investments, net Interest and dividend income       13,335       2,164         Interest and dividend income       (4,399)       (3,365)         Interest expense       5,851       4,427         Other expense, net       1,236       1,346         Total expenses       32,375       35,232         Income before income taxes       45,124       41,140         Income tax expense       8,592       6,275         Net income and comprehensive income       \$ 0,58       \$ 0,51         Basic       \$ 0,46       \$ 0,42         Diluted       \$ 0,46       \$ 0,42         Shares used to compute net income per share         Basic       63,185       67,786         Diluted       84,531       89,786         (1) Total net revenue is comprised of the following (in thousands):       Three Mortzett         Three Mortzett         2024       2023         Colspan="2">Co	Amortization of acquired intangible assets		6,440		3,805	
Interest and dividend income         (4,399)         (3,365)           Interest expense         5,851         4,427           Other expense, net         1,236         1,346           Total expenses         32,375         35,232           Income before income taxes         8,512         41,140           Income before income taxes         8,532         6,275           Net income per share         \$ 0,58         \$ 0,58           Basic         \$ 0,58         \$ 0,51           Diluted         \$ 0,46         \$ 0,42           Shares used to compute net income per share         84,531         89,786           Basic         63,185         67,786           Diluted         84,531         89,786           (1) Total net revenue is comprised of the following (in thousands):         Three Mortage Interest Evaluation of 2014           Royalties         \$ 61,871         \$ 60,314           Amortization of capitalized fees         \$ 61,871         \$ 60,314			(35,342)		(15,817)	
Interest expense         5,851         4,427           Other expense, net         1,236         1,346           Total expenses         32,375         35,232           Income before income taxes         45,124         41,140           Income tax expense         8,592         6,275           Net income and comprehensive income         \$ 36,532         \$ 34,865           Net income per share         \$ 0.58         \$ 0.51           Basic         \$ 0.46         \$ 0.42           Shares used to compute net income per share         \$ 63,185         67,786           Basic         63,185         67,786           Diluted         84,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Montrest Ended March           2024         2023           Council and trevenue         \$ 61,871         \$ 60,314           Royalties         \$ 61,871         \$ 60,314           Amortization of capitalized fees         (3,456)         (3,456)	Changes in fair values of equity and long-term investments, net		13,335		2,164	
Other expense, net         1,236         1,346           Total expenses         32,375         35,232           Income before income taxes         45,124         41,140           Income tax expense         8,592         6,275           Net income and comprehensive income         \$ 36,532         \$ 34,865           Net income per share         \$ 0.58         \$ 0.51           Basic         \$ 0.58         \$ 0.51           Diluted         \$ 0.46         \$ 0.42           Shares used to compute net income per share           Basic         63,185         67,786           Diluted         84,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Months Ended Marture           Three years         2024         2023           Royalties         \$ 61,871         \$ 60,314           Amortization of capitalized fees         (3,456)         3,4561	Interest and dividend income		(4,399)		(3,365)	
Total expenses         32,375         35,232           Income before income taxes         45,124         41,140           Income tax expense         8,592         6,275           Net income and comprehensive income         \$ 36,532         \$ 34,865           Net income per share         \$ 0.58         \$ 0.51           Basic         \$ 0.46         \$ 0.42           Diluted         \$ 0.46         \$ 0.42           Shares used to compute net income per share         \$ 3,185         67,786           Diluted         84,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Months Ended March 11           2024         2023           Constant         \$ 61,871         \$ 60,314           Amortization of capitalized fees         \$ 3,456         \$ 3,456	Interest expense		5,851		4,427	
Income before income taxes         45,124 brack         41,140 brack           Income tax expense         8,592 brack         6,275 brack           Net income per share         \$ 36,532 brack         3 4,865 brack           Net income per share         \$ 0.58 brack         \$ 0.51 brack           Diluted         \$ 0.46 brack         \$ 0.42 brack           Shares used to compute net income per share         \$ 3,185 brack         67,786 brack           Diluted         84,531 brack         89,788 brack           (1) Total net revenue is comprised of the following (in thousands):         Three Montre Ended March 11 to 2024 brack           Royalties         \$ 61,871 brack         \$ 60,314 brack           Amortization of capitalized fees         \$ 61,871 brack         \$ 60,314 brack	Other expense, net		1,236		1,346	
Income tax expense         8,592         6,275           Net income and comprehensive income         \$ 36,532         \$ 34,865           Net income per share         \$ 0.58         \$ 0.51           Basic         \$ 0.46         \$ 0.42           Shares used to compute net income per share         \$ 36,3185         67,786           Basic         63,185         67,786           Diluted         84,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Months Ended March 31           2024         2023           Cunation         Cunation           Royalties         \$ 61,871         \$ 60,314           Amortization of capitalized fees         \$ 3,456         (3,456)	Total expenses		32,375		35,232	
Net income and comprehensive income         \$ 36,532         \$ 34,865           Net income per share         \$ 0.58         \$ 0.51           Basic         \$ 0.46         \$ 0.42           Shares used to compute net income per share         83,185         67,786           Basic         63,185         67,786           Diluted         84,531         89,788           (1) Total net revenue is comprised of the following (in thousands):         Three Months Ended March 31,           2024         2023           (unaudited)           Royalties         \$ 61,871         \$ 60,314           Amortization of capitalized fees         (3,456)         (3,456)	Income before income taxes		45,124		41,140	
Net income per share         Basic Diluted       \$ 0.58 \$ 0.51 \$ 0.42         Shares used to compute net income per share         Basic Diluted       63,185 67,786 84,531 89,788         Diluted State of the following (in thousands):       Three Months Ended March 31, 100 100 100 100 100 100 100 100 100 1	Income tax expense		8,592		6,275	
Basic Diluted       \$ 0.58   \$ 0.51   \$ 0.42         Shares used to compute net income per share Basic Diluted       63,185   67,786   67,786   84,531   89,788         (1) Total net revenue is comprised of the following (in thousands):       Three Months Ended March 31, 2024   2023	Net income and comprehensive income	\$	36,532	\$	34,865	
Basic Diluted       \$ 0.58   \$ 0.51   \$ 0.42         Shares used to compute net income per share Basic Diluted       63,185   67,786   67,786   84,531   89,788         (1) Total net revenue is comprised of the following (in thousands):       Three Months Ended March 31, 2024   2023	Net income per share					
Shares used to compute net income per share         Basic Diluted       63,185 67,786 84,531 89,788         Three Months Ended March 31,         2024 2023         (unautited)         Royalties       \$ 61,871 \$ 60,314         Amortization of capitalized fees       (3,456) (3,456)	Basic	\$	0.58	\$	0.51	
Basic Diluted       63,185 84,531       67,786 89,788         (1) Total net revenue is comprised of the following (in thousands):         Three Months Ended March 31,         2024       2023         (unaudited)         Royalties       \$ 61,871       \$ 60,314         Amortization of capitalized fees       (3,456)       (3,456)	Diluted	\$	0.46	\$	0.42	
Diluted       84,531       89,788         Three Months Ended March 31,         2024       2023         (unaudited)         Royalties       \$ 61,871       \$ 60,314         Amortization of capitalized fees       (3,456)       (3,456)	Shares used to compute net income per share					
(1) Total net revenue is comprised of the following (in thousands):	Basic		63,185		67,786	
Three Months Ended March 31,         2024       2023         (unaudited)         Royalties       \$ 61,871       \$ 60,314         Amortization of capitalized fees       (3,456)       (3,456)	Diluted		84,531		89,788	
	(1) Total net revenue is comprised of the following (in thousands):					
Z024     2023       (unaudited)       Royalties     \$ 61,871     \$ 60,314       Amortization of capitalized fees     (3,456)     (3,456)			Three Months Ended		ed	
(unaudited)         Royalties       \$ 61,871       \$ 60,314         Amortization of capitalized fees       (3,456)       (3,456)		March 31,				
Royalties       \$ 61,871       \$ 60,314         Amortization of capitalized fees       (3,456)       (3,456)			2024 2023		2023	
Amortization of capitalized fees (3,456)			(unaudited)			
	Royalties	\$	61,871	\$	60,314	
Royalty revenue, net \$ 58,415 \$ 56,858	Amortization of capitalized fees		(3,456)		(3,456)	
	Royalty revenue, net	\$	58,415	\$	56,858	

# INNOVIVA, INC. Condensed Consolidated Balance Sheets (in thousands) (unaudited)

	March 31, 2024		December 31, 2023	
Assets				_
Cash and cash equivalents	\$	178,357	\$	193,513
Royalty and product sale receivables		76,010		84,075
Inventory, net		37,437		40,737
Prepaid expense and other current assets		19,538		25,894
Property and equipment, net		324		483
Equity and long-term investments		628,437		560,978
Capitalized fees		80,328		83,784
Right-of-use assets		2,269		2,536
Goodwill		17,905		17,905
Intangible assets		223,895		230,335

Other assets	3,112	3,267
Total assets	\$ 1,267,612	\$ 1,243,507
Liabilities and stockholders' equity		
Other current liabilities	\$ 28,059	\$ 33,435
Accrued interest payable	833	3,422
Deferred revenues	987	1,277
Convertible senior notes, due 2025, net	191,476	191,295
Convertible senior notes, due 2028, net	255,283	254,939
Other long term liabilities	71,686	71,870
Deferred tax liabilities	3,807	563
Income tax payable - long term	11,800	11,751
Innoviva stockholders' equity	703,681	674,955
Total liabilities and stockholders' equity	\$ 1,267,612	\$ 1,243,507

INNOVIVA, INC.
Cash Flows Summary
(in thousands)
(unaudited)

	 Three Months Ended March 31,		
	2024		2023
Net cash provided by operating activities	\$ 37,047	\$	25,684
Net cash used in investing activities	(43,038)		(35,722)
Net cash used in financing activities	(9,165)		(136,962)
Net change	\$ (15,156)	\$	(147,000)
Cash and cash equivalents at beginning of period	 193,513		291,049
Cash and cash equivalents at end of period	\$ 178,357	\$	144,049

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Source: Innoviva, Inc.