

A hand wearing a purple nitrile glove holds a clear glass vial containing a bright blue liquid. From the neck of the vial, a stream of multi-colored particles (blue, green, yellow, purple) is being poured out. The background is a blurred close-up of a person's face, suggesting a patient. The overall scene is brightly lit, emphasizing the scientific and medical nature of the image.

SCIENCE DRIVEN.  
PATIENT FOCUSED.



2014  
ANNUAL  
REPORT





## SHAREHOLDER LETTER

Our vision at Incyte is to become one of the leading global oncology companies. We were founded on the premise that investment in good science and the rigorous pursuit of R&D excellence can translate into new medicines which can positively affect patients' lives, and we are proud to report to you a further year of significant progress across our broad portfolio of product candidates.

Jakafi® (ruxolitinib), our JAK1/JAK2 inhibitor is now approved for two indications in the U.S. In December last year, the U.S. FDA approved Jakafi for patients with uncontrolled polycythemia vera (PV), a rare blood cancer. We launched Jakafi in PV immediately, using the same team that is already in the field across the U.S. promoting Jakafi for the treatment of patients with intermediate or high-risk myelofibrosis.

The field of oncology continues to evolve at an incredible pace, and I believe that Incyte is well-placed to be at the center of the ongoing transformation of cancer treatment.

In our R&D group, our goal is to maintain and extend our leading position in JAK inhibition. Beyond the second indication for Jakafi, our leadership in the field is further evidenced by the initiation of a series of pivotal and proof-of-concept studies of ruxolitinib in solid tumors. Our next generation JAK1 selective inhibitors, INCB39110 and INCB52793, provide even further potential for us to extend our competitive advantage here.

Our IDO1 inhibitor, epacadostat, provides us with a potentially exciting entrance into immuno-oncology, which involves seeking to harness the body's own immune system to tackle cancer. We are moving forward quickly to recruit our proof-of-concept studies of epacadostat in combination with PD-1 / PD-L1 immune checkpoint inhibitors, and we expect that the global alliance that we recently signed with Agenus should give us additional strategic flexibility within the immuno-oncology arena.

Among the targeted therapies in our portfolio we have made good progress in the development of our two PI3K $\delta$  inhibitors, and we have recently disclosed three new compounds in our pipeline. We have an FGFR inhibitor that has recently entered clinical trials as well as a BRD inhibitor and a PIM inhibitor.

The fourth segment of our portfolio contains our two partnered compounds, which, we believe, significantly expand our opportunities. Capmatinib, with Novartis, continues to move forward in lung and liver cancer trials, and baricitinib, with Eli Lilly and Company, has now reported positive top line results in the first two trials within its global Phase 3 program in rheumatoid arthritis.

*Continued on next page*



## SHAREHOLDER LETTER (cont.)

Financially, the growth of our top-line revenue continues to outpace both our R&D and SG&A expenses. In 2014, sales of Jakavi® (ruxolitinib) grew over 50% in the U.S., and Novartis' sales of Jakavi have grown over 70% in ex-U.S. territories compared to 2013. We also recorded revenue of over \$100 million from milestones in 2014, and ended the year with \$600 million in cash, cash equivalents and marketable securities. This leaves us in a strong financial position as we move into 2015. For the full year 2015, we expect U.S. sales of Jakafi to be in the range of \$525 million to \$565 million, reflecting projected year-over-year growth of approximately 50%.

We achieved another corporate milestone in 2014 by moving into our new headquarters. This iconic building, originally the John Wanamaker department store outside Wilmington, Delaware, was completely repurposed and refurbished for us. It provides us with over 190,000 square feet of laboratory and office space, and is already fostering even greater cross-functional interaction and integration. This is especially so between chemistry and biology, and across discovery and development.

In January this year we announced the appointment of two new Directors. We are delighted to welcome Jean-Jacques Bienaimé, CEO of BioMarin Pharmaceutical, Inc. and Paul J. Clancy, CFO of Biogen to our Board, and we look forward to benefiting from their extensive and relevant experience in building successful biotechnology companies. In addition, both Richard De Schutter (the current Chairman of our Board of Directors) and Barry Ariko have informed us of their decisions to retire as Directors at the upcoming Annual Meeting. We are very grateful for their years of service to Incyte.

In closing, I want to once again thank the patients, researchers and physicians who participate in our clinical trials for giving their time and effort to help advance new and innovative science. I also want to thank the entire Incyte team for their efforts and success in 2014, and to you, our stockholders, for your continued support and encouragement.

Looking ahead, I am confident that we can deliver on our vision of becoming one of the leading global oncology companies, and that we can bring forward new medicines which can have a profoundly positive impact on patients' lives around the world. By doing this, we believe we can build sustainable value for all of our key stakeholders.

Best regards,



**Hervé Hoppenot**  
President and Chief Executive Officer





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# 2014 ACCOMPLISHMENTS

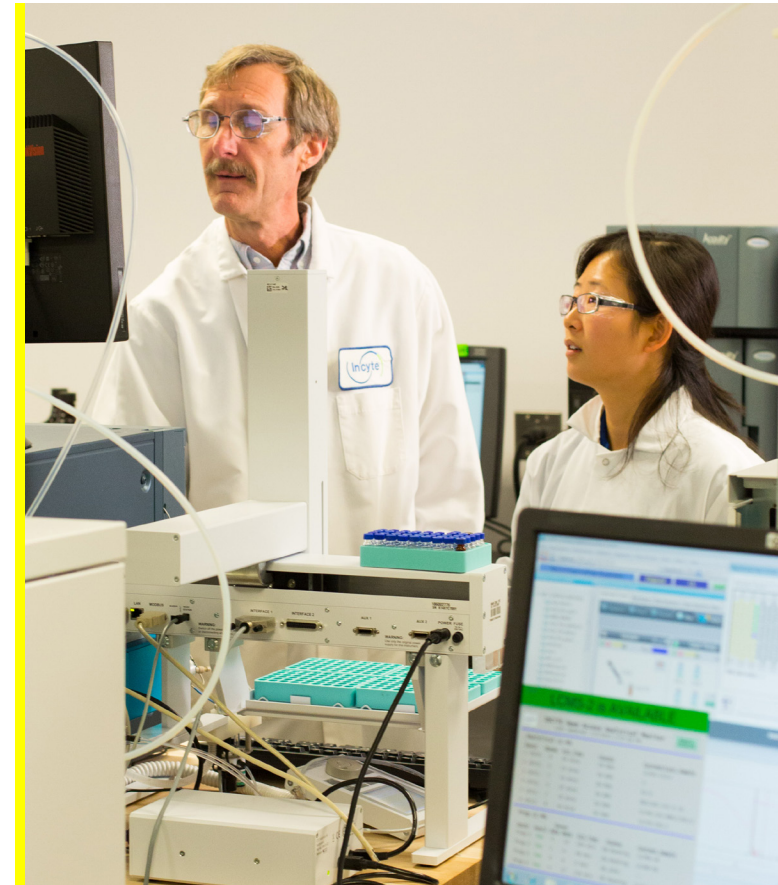
## JAKAFI® (RUXOLITINIB)

### Myeloproliferative Neoplasms

- Received approval from the U.S. FDA for Jakafi (ruxolitinib), a selective JAK1/JAK2 inhibitor, for the treatment of patients with polycythemia vera (PV) who have had an inadequate response to or are intolerant to hydroxyurea. The approval was based on the positive and statistically significant results of the pivotal Phase III RESPONSE trial, which was conducted in collaboration with Novartis under a Special Protocol Assessment (SPA) from the FDA.
- Presented full results from the RESPONSE trial at the American Society of Clinical Oncology (ASCO) Annual Meeting. This open-label randomized trial met its primary endpoint, demonstrating that PV patients treated with Jakafi had superior hematocrit control and reductions in spleen volume compared with best available therapy. In addition, a greater proportion of PV patients in the ruxolitinib treatment arm achieved complete hematologic remission, which was defined as achieving hematocrit control, and lowering platelet and white blood cell counts.
- Expanded the product label for Jakafi for the treatment of patients with intermediate or high-risk myelofibrosis to include Kaplan-Meier overall survival curves and additional safety and dosing information based on three-year data from the pivotal Phase III COMFORT-I and -II trials.

### Solid Tumors

- Presented full results from the Phase II proof-of-concept RECAP trial of ruxolitinib in combination with capecitabine in patients with metastatic pancreatic cancer at the ASCO Annual Meeting. Results showed that ruxolitinib plus capecitabine prolonged survival over capecitabine alone in a pre-specified subgroup of patients with high levels of C-reactive protein (CRP), a well-established marker of systemic inflammation.
- Initiated two double-blind, placebo-controlled pivotal Phase III trials to evaluate the safety and efficacy of ruxolitinib in patients with advanced or metastatic pancreatic cancer with high levels of systemic inflammation – JANUS 1, which is being conducted under an SPA, and JANUS 2.
- Initiated three blinded Phase II proof-of-concept trials of ruxolitinib in patients with non-small cell lung cancer, breast cancer or colorectal cancer, respectively, including patients with high levels of systemic inflammation as assessed by CRP.



# 2014 ACCOMPLISHMENTS (cont.)

## EXPANDING CLINICAL PORTFOLIO

### INCB39110

- Initiated multiple proof-of-concept trials of INCB39110, a selective JAK1 inhibitor, in patients with solid tumors, selecting for patients with high levels of systemic inflammation. We believe that JAK1-selective inhibition may lead to equivalent efficacy but with reduced myelosuppression relative to inhibiting both JAK1 and JAK2.

### INCB52793

- Initiated a Phase I/II dose-escalation trial of INCB52793, a selective JAK1 inhibitor, in hematology/oncology.

### epacadostat (INCB24360)

- Presented positive, preliminary results from a proof of concept study of epacadostat, an investigational oral indoleamine 2,3-dioxygenase-1 (IDO1) inhibitor, in combination with ipilimumab in patients with unresectable or metastatic melanoma at the ASCO Annual Meeting.
- Initiated four Phase I/II trials under collaboration agreements with Merck & Co., AstraZeneca/MedImmune, Bristol-Myers Squibb and Roche/Genentech to evaluate the safety and efficacy of each collaboration company's respective PD-1/PD-L1 immunotherapy checkpoint inhibitor in combination with epacadostat across a variety of oncology indications.

### INCB40093

- Completed a Phase I monotherapy dose-escalation trial of INCB40093, a PI3K $\delta$  inhibitor, in patients with B-lymphoid malignancies, and advanced the study into the dose-expansion phase.
- Initiated a Phase I/II trial to evaluate INCB40093 in combination with INCB39110, the company's selective JAK1 inhibitor, in patients with B-cell malignancies.

### baricitinib

- Together with Incyte's collaboration partner Lilly, reported positive top-line results from the first of four pivotal Phase III trials of baricitinib, a JAK1 and JAK2 inhibitor. Results showed the RA-BEACON study met its primary endpoint of improved ACR20 response compared with placebo after 12 weeks of treatment in patients with moderately-to-severely active rheumatoid arthritis who previously failed one or more tumor necrosis factor (TNF) inhibitors and who were taking stable doses of conventional disease-modifying anti-rheumatic drug (cDMARD) therapy.

### capmatinib

- Incyte's collaboration and license partner Novartis continued to conduct a Phase II trial to evaluate capmatinib, a potent and selective c-MET inhibitor, as monotherapy in patients with advanced c-MET positive hepatocellular carcinoma; a Phase II trial to evaluate capmatinib in patients with c-MET positive/EGFR-TKI-resistant non-small cell lung cancer; and Phase I/II trials in patients with c-MET dependent advanced solid malignancies.

## STRONG BALANCE SHEET

- Achieved net product revenues from sales of Jakafi of \$358 million, representing 52 percent growth over 2013.
- Announced two milestone payments from Novartis – \$60 million related to reimbursement of Jakavi in Europe and \$25 million for the approval of Jakavi in Japan for the treatment of myelofibrosis.
- Ended the year in a strong financial position with \$600 million in cash, cash equivalents and marketable securities, positioning Incyte well to fund its expanding pipeline.

# INCYTE PORTFOLIO

COMPOUND	TARGET	DISEASE	DISCOVERY/ PRECLINICAL	CLINICAL PROOF OF CONCEPT	PIVOTAL	APPROVED
<b>ONCOLOGY</b>						
Jakafi® (ruxolitinib) <sup>a</sup>	JAK1/JAK2	Myelofibrosis <sup>b</sup>	████████████████████	████████████████████	████████████████████	████████████████████
Jakafi® (ruxolitinib) <sup>a</sup>	JAK1/JAK2	Polycythemia vera <sup>c</sup>	████████████████████	████████████████████	████████████████████	████████████████████
ruxolitinib <sup>a</sup>	JAK1/JAK2	Pancreatic cancer	████████████████████	████████████████████	████████████████████	████████████████████
ruxolitinib <sup>a</sup>	JAK1/JAK2	Non-small cell lung cancer	████████████████████	████████████████████	████████████████████	████████████████████
ruxolitinib <sup>a</sup>	JAK1/JAK2	Breast cancer	████████████████████	████████████████████	████████████████████	████████████████████
ruxolitinib <sup>a</sup>	JAK1/JAK2	Colorectal cancer	████████████████████	████████████████████	████████████████████	████████████████████
INCB39110	JAK1	Pancreatic cancer	████████████████████	████████████████████	████████████████████	████████████████████
INCB39110	JAK1	Non-small cell lung cancer	████████████████████	████████████████████	████████████████████	████████████████████
INCB39110	JAK1	Non-small cell lung cancer	████████████████████	████████████████████	████████████████████	████████████████████
INCB39110+INCB40093	JAK1+PI3Kδ	B-lymphoid malignancies	████████████████████	████████████████████	████████████████████	████████████████████
INCB52793	JAK1	Hematology/Oncology	████████████████████	████████████████████	████████████████████	████████████████████
INCB50465	PI3Kδ	B-lymphoid malignancies	████████████████████	████████████████████	████████████████████	████████████████████
epacadostat	IDO1	Metastatic melanoma	████████████████████	████████████████████	████████████████████	████████████████████
epacadostat <sup>d</sup>	IDO1	Non-small cell lung cancer	████████████████████	████████████████████	████████████████████	████████████████████
epacadostat <sup>e</sup>	IDO1	Non-small cell lung cancer	████████████████████	████████████████████	████████████████████	████████████████████
epacadostat <sup>f</sup>	IDO1	Multiple solid tumors	████████████████████	████████████████████	████████████████████	████████████████████
epacadostat <sup>g</sup>	IDO1	Multiple solid tumors	████████████████████	████████████████████	████████████████████	████████████████████
capmatinib <sup>h</sup>	c-MET	Solid tumors	████████████████████	████████████████████	████████████████████	████████████████████
capmatinib <sup>h</sup>	c-MET	Hepatocellular carcinoma	████████████████████	████████████████████	████████████████████	████████████████████
capmatinib <sup>h</sup>	c-MET	Non-small cell lung cancer	████████████████████	████████████████████	████████████████████	████████████████████
INCB54828	FGFR	Solid tumors	████████████████████	████████████████████	████████████████████	████████████████████
INCB54329	BRD	Hematology/Oncology	████████████████████	████████████████████	████████████████████	████████████████████
<b>INFLAMMATION</b>						
baricitinib <sup>i</sup>	JAK1/JAK2	Rheumatoid arthritis	████████████████████	████████████████████	████████████████████	████████████████████
baricitinib <sup>j</sup>	JAK1/JAK2	Psoriasis	████████████████████	████████████████████	████████████████████	████████████████████
baricitinib <sup>k</sup>	JAK1/JAK2	Diabetic nephropathy	████████████████████	████████████████████	████████████████████	████████████████████

JAK = Janus-associated kinase; IDO1=indoleamine 2,3-dioxygenase; PI3K= phosphatidylinositol 3-kinase; FGFR = fibroblast growth factor receptor; BRD= bromodomain

<sup>a</sup>Incyte licensed rights outside the United States to Novartis and retained US rights. <sup>b</sup>Jakafi is approved for treatment of people with intermediate or high-risk myelofibrosis (MF), including primary MF, post-polycythemia vera MF, and post-essential thrombocythemia MF. <sup>c</sup>Jakafi is approved for treatment of people with polycythemia vera (PV) who have had an inadequate response to or are intolerant of hydroxyurea. <sup>d</sup>In combination with Merck's pembrolizumab.

<sup>e</sup>In combination with Genentech's MPDL3280A. <sup>f</sup>In combination with AstraZeneca/MedImmune's MEDI4736. <sup>g</sup>In combination with Bristol-Myers Squibb's nivolumab. <sup>h</sup>Incyte licensed worldwide rights to Novartis and retained codevelopment and copromotion options. <sup>i</sup>Incyte licensed worldwide rights to Eli Lilly and Company and elected to codevelop with Lilly and retained a copromotion option. <sup>j</sup>Incyte licensed worldwide rights to Lilly and retained a copromotion option.

<sup>k</sup>Incyte licensed worldwide rights to Lilly and retained codevelopment and copromotion options.



## MPN COMMUNITY

### MAKING A MEANINGFUL DIFFERENCE FOR PATIENTS

At Incyte, we are committed to developing important medicines to treat cancer, and to bringing these treatments and associated support tools to the patient communities we serve.

#### Voices of MPN

Patients with myeloproliferative neoplasms (MPNs), which include myelofibrosis and polycythemia vera, two types of rare blood cancers, face many challenges. One of the most important things people affected by MPNs can do is connect with others who are living with or caring for someone with an MPN.

[Visit VoicesofMPN.com](http://VoicesofMPN.com)

#### IncyteCARES

The program offers patients prescription insurance verification and prior authorization support, co-pay assistance or free drug for those who qualify, referrals to independent non-profit organizations who may also be able to provide financial assistance, and access to oncology nurses to support ongoing use of Jakafi.

[Visit IncyteCares.com](http://IncyteCares.com)





## BOARD OF DIRECTORS

**Richard U. De Schutter**

Former Chairman and Chief Executive Officer  
DuPont Pharmaceuticals

**Barry M. Ariko**

Former President, Chief Executive Officer and Chairman  
Mirapoint, Inc.

**Julian C. Baker**

Managing Partner  
Baker Brothers Investments

**Jean-Jacques Bienaimé**

Chief Executive Officer  
BioMarin

**Paul A. Brooke**

Founder and Managing Director  
venBio

**Paul J. Clancy**

Chief Financial Officer  
Biogen

**Wendy Dixon, Ph.D.**

Former Chief Marketing Officer and  
President, Global Marketing  
Bristol-Myers Squibb Company

**Paul A. Friedman, M.D.**

Former President and Chief Executive Officer  
Incyte Corporation

**Hervé Hoppenot**

President and Chief Executive Officer  
Incyte Corporation

## EXECUTIVE MANAGEMENT

**Hervé Hoppenot**

President and Chief Executive Officer

**James M. Daly, MBA**

Executive Vice President, Chief Commercial Officer

**Barry P. Flannelly, Pharm.D., MBA**

Executive Vice President, Business Development  
and Strategic Planning

**David W. Gryska, MBA**

Executive Vice President, Chief Financial Officer

**Reid M. Huber, Ph.D.**

Executive Vice President, Chief Scientific Officer

**Richard S. Levy, M.D.**

Executive Vice President,  
Chief Drug Development Officer

**Eric H. Siegel, J.D., MBA**

Executive Vice President, General Counsel

**Steven H. Stein, M.D.**

Senior Vice President, Chief Medical Officer

**Paula J. Swain**

Executive Vice President, Human Resources

**Wenqing Yao, Ph.D.**

Executive Vice President, Discovery Medicinal  
and Process Chemistry



## COMPANY INFORMATION

### **Transfer Agent and Registrar**

Computershare  
PO Box 43078  
Providence, RI 02940-3078

or

250 Royall Street  
Canton, MA 02021  
Phone: 877/272-1536  
[www.computershare.com/investor](http://www.computershare.com/investor)

### **TDD for Hearing Impaired:**

800/231-5469

### **Foreign Shareowners:**

201/680-6578

### **TDD Foreign Shareowners:**

201/680-6610

### **Annual Meeting**

The Annual Meeting of Stockholders will be held May 22, 2015, at 9:00 a.m., Eastern Daylight Time, at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801

### **Outside Counsel**

Pillsbury Winthrop Shaw Pittman LLP

### **Independent Registered Public Accounting Firm**

Ernst & Young LLP

### **Market Information**

Incyte Common Stock trades on The Nasdaq Global Select Market under the symbol INCY.

### **Investor Relations**

You can obtain recent press releases and other publicly available information on Incyte by visiting our website at [www.incyte.com](http://www.incyte.com).

### **Contact**

Michael Booth, D.Phil  
Vice President, Investor Relations  
Email: [mbooth@incyte.com](mailto:mbooth@incyte.com)

### **Corporate Headquarters**

Incyte Corporation  
1801 Augustine Cut-Off  
Wilmington, Delaware 19803  
855/446-2983







## COMPANY INFORMATION (cont.)

### Forward-Looking Statements

Except for the historical information set forth herein, the matters set forth in this annual report, including without limitation statements regarding our net product revenue guidance, plans and expectations with respect to Jakafi (ruxolitinib) including the potential efficacy and therapeutic and commercial value of Jakafi, anticipated future accomplishments in drug discovery and development, plans regarding our product pipeline and strategy, plans and expected timelines for advancing our drug candidates through clinical trials and regulatory submissions, potential therapeutic and commercial value of our drug candidates, and potential value of our collaboration efforts with our collaboration partners contain predictions, estimates and other forward-looking statements.

These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including unanticipated developments in and risks related to the efficacy or safety of Jakafi, the acceptance of Jakafi in the marketplace, risks related to market competition, the results of and risks associated with research and development, risks and uncertainties associated with sales, marketing and distribution requirements, that results of clinical trials may be unsuccessful or insufficient to meet applicable regulatory standards, the ability to enroll sufficient numbers of subjects in clinical trials, other market or economic factors and technological advances, unanticipated delays, our ability to compete against parties with greater financial or other resources, our dependence on our relationships with our collaboration partners, greater than expected expenses, unanticipated or unpredictable expenses relating to litigation or strategic activities, our ability to obtain additional capital when needed, risks related to obtaining effective patent coverage for our products and other risks detailed from time to time in Incyte's reports filed with the Securities and Exchange Commission, including our Form 10-K for the year ended December 31, 2014.

**To download the Incyte form 10-K**

**[Visit www.incyte.com.](http://www.incyte.com)**





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Science Driven. Patient Focused.