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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-12400

INCYTE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**94-3136539**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1801 Augustine Cut-Off Wilmington, DE 19803	**19803**
(Address of principal executive offices)	(Zip Code)

(302) 498-6700

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, $.001 par value per share	INCY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The number of outstanding shares of the registrant's Common Stock, $.001 par value, was 199,782,155 as of April 21, 2026.

INCYTE CORPORATION

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PART I: FINANCIAL INFORMATION
Item 1. Financial Statements

INCYTE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except number of shares and par value)

	March 31, 2026	December 31, 2025*
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,461,114	$ 3,097,817
Marketable securities—available-for-sale (amortized cost $555,202 and $480,793 as of March 31, 2026 and December 31, 2025, respectively; allowance for credit losses $0 as of March 31, 2026 and December 31, 2025)	554,711	482,787
Accounts receivable	1,051,499	1,024,407
Inventory	115,624	101,060
Prepaid expenses and other current assets	301,312	317,831
Total current assets	5,484,260	5,023,902
Restricted cash	1,836	1,852
Long term equity investments	54,582	47,991
Inventory	331,421	342,232
Property and equipment, net	720,169	730,885
Finance lease right-of-use assets, net	26,669	27,520
Other intangible assets, net	110,164	117,131
Goodwill	133,000	133,000
Deferred income tax asset	452,520	515,294
Other assets, net	24,492	18,166
Total assets	$ 7,339,113	$ 6,957,973
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 228,624	$ 209,938
Accrued compensation	124,920	228,071
Accrued and other current liabilities	1,092,308	1,031,501
Finance lease liabilities	4,413	4,516
Acquisition-related contingent consideration	39,384	41,144
Total current liabilities	1,489,649	1,515,170
Acquisition-related contingent consideration	70,616	79,856
Finance lease liabilities	29,414	30,199
Other liabilities	126,587	165,270
Total liabilities	1,716,266	1,790,495
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred Stock, $0.001 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common Stock, $0.001 par value; 400,000,000 shares authorized; 199,948,401 and 198,460,009 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	200	198
Additional paid-in capital	5,083,234	4,928,049
Accumulated other comprehensive income	22,314	25,462
Retained earnings	517,099	213,769
Total stockholders' equity	5,622,847	5,167,478
Total liabilities and stockholders' equity	$ 7,339,113	$ 6,957,973

* The condensed consolidated balance sheet at December 31, 2025 has been derived from the audited consolidated financial statements at that date.

See accompanying notes.

INCYTE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except per share amounts)

	Three Months Ended March 31,	
	2026	2025
Revenues:		
Net sales	$ 1,104,484	$ 922,274
Product royalty revenues	151,192	130,624
Milestone and contract revenues	17,000	—
Total revenues	1,272,676	1,052,898
Costs, expenses and other:		
Cost of sales (including definite-lived intangible amortization)	104,523	73,188
Research and development	515,903	437,279
Selling, general and administrative	328,087	325,691
Asset impairment and related disposal costs	23,214	—
(Gain) loss on change in fair value of acquisition-related contingent consideration	(168)	11,572
Total costs, expenses and other	971,559	847,730
Income from operations	301,117	205,168
Interest income	33,687	22,929
Interest expense	(569)	(660)
Gain (loss) on equity investments	6,591	(1,343)
Other, net	2,774	8,096
Income before provision for income taxes	343,600	234,190
Provision for income taxes	40,270	75,987
Net income	$ 303,330	$ 158,203
Net income per share:		
Basic	$ 1.52	$ 0.82
Diluted	$ 1.47	$ 0.80
Shares used in computing net income per share:		
Basic	199,343	193,712
Diluted	206,830	198,197

See accompanying notes.

INCYTE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, in thousands)

	Three Months Ended March 31,	
	2026	**2025**
Net income	$ 303,330	$ 158,203
Other comprehensive (loss) income:		
Foreign currency translation (loss) gain	(897)	5,440
Unrealized (loss) gain on marketable securities, net of tax	(2,485)	931
Defined benefit pension gain, net of tax	234	512
Other comprehensive (loss) income	(3,148)	6,883
Comprehensive income	$ 300,182	$ 165,086

See accompanying notes.

INCYTE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited, in thousands, except number of shares)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
Balances at January 1, 2026	$ 198	$ 4,928,049	$ 25,462	$ 213,769	$ 5,167,478
Issuance of 1,473,992 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units, net of shares withheld for taxes	2	90,967	—	—	90,969
Issuance of 955 shares of Common Stock for services rendered	—	92	—	—	92
Stock compensation	—	64,126	—	—	64,126
Other comprehensive loss	—	—	(3,148)	—	(3,148)
Net income	—	—	—	303,330	303,330
Balances at March 31, 2026	$ 200	$ 5,083,234	$ 22,314	$ 517,099	$ 5,622,847

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	(Accumulated Deficit)	Total Stockholders' Equity
Balances at January 1, 2025	$ 193	$ 4,533,437	$ (13,121)	$ (1,072,881)	$ 3,447,628
Issuance of 363,987 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units, net of shares withheld for taxes	—	(6,215)	—	—	(6,215)
Issuance of 1,208 shares of Common Stock for services rendered	—	82	—	—	82
Stock compensation	—	60,982	—	—	60,982
Other comprehensive income	—	—	6,883	—	6,883
Net income	—	—	—	158,203	158,203
Balances at March 31, 2025	$ 193	$ 4,588,286	$ (6,238)	$ (914,678)	$ 3,667,563

See accompanying notes.

INCYTE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Three Months Ended March 31,	
	2026	**2025**
Cash flows from operating activities:		
Net income	$ 303,330	$ 158,203
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,802	22,362
Stock-based compensation	64,126	60,982
Deferred income taxes	63,416	(6,706)
Other, net	12,772	5,292
(Gain) loss on equity investments	(6,591)	1,343
(Gain) loss on change in fair value of acquisition-related contingent consideration	(168)	11,572
Changes in operating assets and liabilities:		
Accounts receivable	(27,027)	30,955
Prepaid expenses and other assets	9,193	(62,045)
Inventory	(12,226)	(28,574)
Accounts payable	23,449	(2,159)
Accrued and other liabilities	(84,725)	74,842
Net cash provided by operating activities	369,351	266,067
Cash flows from investing activities:		
Sale of equity investments	—	8
Capital expenditures	(10,200)	(3,169)
Payments for intangible assets	(5,000)	—
Purchases of marketable securities	(142,703)	(41,236)
Maturities of marketable securities	69,700	45,494
Net cash (used in) provided by investing activities	(88,203)	1,097
Cash flows from financing activities:		
Proceeds from issuance of Common Stock under stock plans	97,925	3,239
Tax withholdings related to restricted and performance share vesting	(6,956)	(9,454)
Payment of finance lease liabilities	(1,184)	(1,090)
Payment of contingent consideration	(4,963)	(5,371)
Net cash provided by (used in) financing activities	84,822	(12,676)
Effect of exchange rates on cash, cash equivalents, and restricted cash	(2,689)	(552)
Net increase in cash, cash equivalents, and restricted cash	363,281	253,936
Cash, cash equivalents, and restricted cash at beginning of period	3,099,669	1,689,451
Cash, cash equivalents, and restricted cash at end of period	$ 3,462,950	$ 1,943,387
Supplemental Schedule of Cash Flow Information		
Income taxes paid, net of (refunds)	$ (8,787)	$ 844
Unpaid excise tax on repurchase of Common Stock	$ —	$ 19,185
Unpaid purchases of property and equipment	$ 1,633	$ 2,890
Leased assets obtained in exchange for new operating lease liabilities	$ 572	$ 1,171
Leased assets obtained in exchange for new finance lease liabilities	$ 279	$ 220

See accompanying notes.

INCYTE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2026
(Unaudited)

Note 1. Organization and Business

Incyte Corporation (including its subsidiaries, "Incyte," "we," "us," or "our") is a global biopharmaceutical company engaged in the discovery, development and commercialization of proprietary therapeutics. Our portfolio includes compounds in various stages, ranging from preclinical to late stage development, and commercialized products JAKAFI® (ruxolitinib), ICLUSIG® (ponatinib), PEMAZYRE® (pemigatinib), OPZELURA® (ruxolitinib cream), MINJUVI® (tafasitamab), MONJUVI® (tafasitamab-cxix), ZYNYZ® (retifanlimab-dlwr), as well as NIKTIMVO™ (axatilimab-csfr), which is co-commercialized. Our operations are treated as one operating segment.

Note 2. Summary of Significant Accounting Policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The condensed consolidated balance sheet as of March 31, 2026, and the condensed consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for the three months ended March 31, 2026 and 2025, are unaudited, but include all adjustments, consisting only of normal recurring adjustments, which we consider necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The condensed consolidated balance sheet at December 31, 2025 has been derived from our audited consolidated financial statements.

Although we believe that the disclosures in these financial statements are adequate to make the information presented not misleading, certain information and footnote information normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

Results for any interim period are not necessarily indicative of results for any future interim period or for the entire year. The accompanying financial statements should be read in conjunction with the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Principles of Consolidation. The condensed consolidated financial statements include the accounts of Incyte Corporation and our wholly owned subsidiaries. All inter-company accounts, transactions, and profits have been eliminated in consolidation.

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form our basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Recent Accounting Pronouncements and Regulatory Updates

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU No. 2024-03, "*Disaggregation of Income Statement Expenses* (DISE)." This new guidance applies to all public entities and requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. Public entities must adopt the new standard prospectively for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption and retrospective application are permitted. We are currently evaluating the impact ASU No. 2024-03 will have on our consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU No. 2025-05, "*Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.*" This amended guidance applies to all entities and aims to simplify the estimation of expected credit losses for current accounts receivable and contract assets by providing a practical expedient for all companies. The amendments are effective for annual reporting periods beginning after December 15, 2025 and interim reporting periods within those annual periods. We formally adopted ASU 2025-05, effective January 1, 2026, and elected the practical expedient provided to all companies. This adoption and related practical expedient election did not have and is not expected to have a material impact on our consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-06, "*Intangibles - Goodwill and Other - Internal-Use (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software.*" This amended guidance applies to all entities and serves to modernize the accounting for software costs that are accounted for under Subtopic 305-40, Intangibles - Goodwill and Other - Internal-Use Software (referred to as "internal-use software"). The amendments in this update are effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. Entities may adopt the new guidance using a prospective, modified, or retrospective transition approach. We are currently evaluating the impact ASU No. 2025-06 will have on our consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU No. 2025-07, "*Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract.*" This amended guidance applies to all entities and refines the scope of derivative accounting and clarifies rules for share-based noncash consideration in revenue contracts. Specifically, this update is intended to address concerns about the application of derivative accounting to contracts that have features based on the operations or activities of one of the parties to the contract and to reduce diversity in the accounting for share-based payments in revenue contracts. The amendments in this update are effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. Early adoption is permitted. Entities may adopt the new guidance prospectively, or on a modified retrospective basis. We are currently evaluating the impact ASU No. 2025-07 will have on our consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU No. 2025-10, "*Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities.*" This accounting standard update establishes specific rules for the recognition, measurement, and presentation of government grants received by business entities. For public business entities, this amended guidance is applicable for fiscal years beginning after December 15, 2028, including interim periods within those fiscal years. Early adoption is permitted. Entities may adopt the new guidance using a modified prospective, modified retrospective, or full retrospective approach. We are currently evaluating the impact ASU No. 2025-10 will have on our consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU No. 2025-11, "*Interim Reporting (Topic 270): Narrow-Scope Improvements.*" The amendments in this update aim to enhance the guidance in Topic 270, Interim Reporting, by improving the navigability of the required interim disclosures and clarifying when that guidance is applicable. The amendments also provide additional guidance on what disclosures should be provided in interim reporting periods. Lastly, this updated guidance incorporates a principle that requires entities to disclose significant events since the end of the last annual reporting period. The amendments in this update apply to all entities that provide interim financial statements and notes in accordance with U.S. GAAP. For public business entities, this amended guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted, and the amendments in this update can be applied either prospectively or retrospectively to any or all periods presented in the financial statements. We are currently evaluating the impact ASU No. 2025-11 will have on our future condensed consolidated financial statements and related disclosures.

Note 3. Revenues

Revenues are recognized under guidance within ASC 606, *Revenue from Contracts with Customers*. The following table presents our disaggregated revenue for the periods presented (in thousands):

	Three Months Ended March 31,	
	2026	2025
JAKAFI net sales	$ 757,755	$ 709,412
OPZELURA net sales	143,015	118,705
ICLUSIG net sales	35,463	29,544
PEMAZYRE net sales	22,543	18,440
MINJUVI/MONJUVI net sales	49,227	29,551
NIKTIMVO net sales	55,088	13,613
ZYNYZ net sales	41,393	3,009
Total net sales	1,104,484	922,274
JAKAVI product royalty revenues	105,556	92,145
OLUMIANT product royalty revenues	36,407	30,800
TABRECTA product royalty revenues	5,982	6,413
Other product royalty revenues	3,247	1,266
Total product royalty revenues	151,192	130,624
Milestone and contract revenues	17,000	—
Total revenues	$ 1,272,676	$ 1,052,898

For further information on our revenue-generating contracts, refer to Note 7.

Note 4. Fair Value of Financial Instruments

The following is a summary of our marketable security portfolio for the periods presented (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2026				
Debt securities (government)	$ 555,202	$ 697	$ (1,188)	$ 554,711
December 31, 2025				
Debt securities (government)	$ 480,793	$ 2,028	$ (34)	$ 482,787

The table below summarizes the contractual maturities of our available-for-sale debt securities as of March 31, 2026 (in thousands):

	Total	Less than 1 Year	1-5 Years
Fair value of debt securities (government)	$ 554,711	$ 217,051	$ 337,660

Debt security assets were assessed for risk of expected credit losses. As of March 31, 2026 and December 31, 2025, the available-for-sale debt securities were held in U.S.-government backed securities and in Treasury bonds and were assessed on an individual security basis to have a de minimis risk of credit loss.

Fair Value Measurements

FASB accounting guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability ("the exit price") in an orderly transaction between market participants at the measurement date. The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. In determining fair value, we use quoted prices and observable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of us. The fair value hierarchy is broken down into three levels based on the source of inputs as follows:

Level 1—Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Valuations based on observable inputs and quoted prices in active markets for similar assets and liabilities.

Level 3—Valuations based on inputs that are unobservable and models that are significant to the overall fair value measurement.

Recurring Fair Value Measurements

Our marketable securities consist of investments in U.S. government debt securities that are classified as available-for-sale.

At March 31, 2026 and December 31, 2025, our Level 2 U.S. government debt securities were valued using readily available pricing sources which utilize market observable inputs, including the current interest rate and other characteristics for similar types of investments. Our long term equity investments classified as Level 1 were valued using their respective closing stock prices on The Nasdaq Stock Market. We did not experience any transfers of financial instruments between the fair value hierarchy levels during the three months ended March 31, 2026.

The following fair value hierarchy table presents information about each major category of our financial assets measured at fair value on a recurring basis (in thousands):

	Fair Value Measurement at Reporting Date Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2026
Cash and cash equivalents	$ 3,461,114	$ —	$ —	$ 3,461,114
Debt securities (government)	—	554,711	—	554,711
Long term equity investments (Note 7)	54,582	—	—	54,582
Total assets	$ 3,515,696	$ 554,711	$ —	$ 4,070,407

	Fair Value Measurement at Reporting Date Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2025
Cash and cash equivalents	$ 3,097,817	$ —	$ —	$ 3,097,817
Debt securities (government)	—	482,787	—	482,787
Long term equity investments (Note 7)	47,991	—	—	47,991
Total assets	$ 3,145,808	$ 482,787	$ —	$ 3,628,595

The following fair value hierarchy table presents information about each major category of our financial liabilities measured at fair value on a recurring basis (in thousands):

	Fair Value Measurement at Reporting Date Using:			
	Quoted Prices in Active Markets for Identical Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of March 31, 2026
Acquisition-related contingent consideration	$ —	$ —	$ 110,000	$ 110,000
Total liabilities	$ —	$ —	$ 110,000	$ 110,000

	Fair Value Measurement at Reporting Date Using:			
	Quoted Prices in Active Markets for Identical Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2025
Acquisition-related contingent consideration	$ —	$ —	$ 121,000	$ 121,000
Total liabilities	$ —	$ —	$ 121,000	$ 121,000

The following is a roll forward of our Level 3 liabilities (in thousands):

	2026
Balance at January 1,	$ 121,000
Contingent consideration earned during the period but not yet paid	(10,832)
Change in fair value of contingent consideration	(168)
Balance at March 31,	$ 110,000

The initial fair value of the contingent consideration was determined on the date of acquisition, June 1, 2016, using an income approach based on projected future net sales of ICLUSIG in the European Union and other countries for the approved third line treatment over 18 years, and discounted to present value at a rate of 10%. The fair value of the contingent consideration is remeasured each reporting period, with changes in fair value recorded in the condensed consolidated statements of operations. The valuation inputs utilized to estimate the fair value of the contingent consideration as of March 31, 2026 and December 31, 2025 included a discount rate of 10%, updated projections of future net sales of ICLUSIG in the European Union and other countries for the approved third line treatment, and related applicable royalty rates. The change in fair value of the contingent consideration during the three months ended March 31, 2026 was due primarily to updated projections of future net sales of ICLUSIG, including the impacts from fluctuations in foreign currency exchange rates, and the passage of time.

We generally make payments to Takeda Pharmaceutical Company Limited quarterly based on the royalties earned in the previous quarter. As of March 31, 2026 and December 31, 2025, contingent consideration earned but not yet paid was $10.8 million and $12.1 million, respectively, and was included in accrued and other current liabilities.

Note 5. Concentration of Credit Risk and Current Expected Credit Losses

In November 2009, we entered into a collaboration and license agreement with Novartis Pharma AG (formerly known as Novartis Pharmaceutical International Ltd.) (“Novartis”). In December 2009, we entered into a license, development and commercialization agreement with Eli Lilly and Company (“Lilly”). The above collaboration partners comprised, in aggregate, 14% and 17% of the accounts receivable balance as of March 31, 2026 and December 31, 2025, respectively. For further information relating to these collaboration and license agreements, refer to Note 7.

The concentration of credit risk related to our JAKAFI and OPZELURA sales is as follows:

	Percentage of Total Net Sales for the Three Months Ended March 31,	
	2026	2025
Customer A	13 %	14 %
Customer B	8 %	10 %
Customer C	21 %	20 %
Customer D	19 %	19 %
Customer E	10 %	9 %
Customer F	10 %	10 %

We are exposed to risks associated with extending credit to customers related to the sale of products. Customers A, B, C, D, E and F comprised, in the aggregate, 64% and 54% of the accounts receivable balance as of March 31, 2026 and December 31, 2025, respectively. The concentration of credit risk relating to our other sales or accounts receivable is not significant.

We assessed our collaborative and customer receivable assets as of March 31, 2026 according to our accounting policy for applying reserves for expected credit losses, noting minimal history of uncollectible receivables and the continued perceived creditworthiness of our third party sales relationships, upon which the expected credit losses were considered de minimis. As of March 31, 2026 and December 31, 2025, we had a de minimus amount of allowance for doubtful accounts.

Note 6. Inventory

Our inventory balance consists of the following (in thousands):

	March 31, 2026	December 31, 2025
Raw materials	$ 36,598	$ 27,860
API and work-in-process	351,581	343,678
Finished goods	58,866	71,754
Total inventory	$ 447,045	$ 443,292

Inventories, stated at the lower of cost and net realizable value, consist of raw materials, active pharmaceutical ingredients (“API”), work-in-process, and finished goods, inclusive of freight and inventoriable overhead. At March 31, 2026, $115.6 million of inventory was classified as current on the condensed consolidated balance sheet as we expect this inventory to be consumed for commercial use within the next twelve months. At March 31, 2026, $331.4 million of inventory was classified as non-current on the condensed consolidated balance sheet as we do not expect this inventory to be consumed for commercial use within the next twelve months. We obtain some inventory components from a limited number of suppliers due to technology, availability, price, quality or other considerations. The loss of a supplier, the deterioration of our relationship with a supplier, or any unilateral violation of the contractual terms under which we are supplied components by a supplier could adversely affect our total revenues and gross margins.

We capitalize inventory after regulatory approval as the related costs are expected to be recoverable through the commercialization of the product. Costs incurred prior to regulatory approval are recorded as research and development expense in our condensed consolidated statements of operations. At March 31, 2026, inventory with approximately $40.9 million of product costs incurred prior to regulatory approval had not yet been sold. We expect to sell the pre-commercialization inventory over the next 6 to 35 months and, as a result, cost of sales will reflect a lower average per unit cost of materials.

Note 7. Collaborative and Other Relationships

Novartis

In November 2009, we entered into a Collaboration and License Agreement with Novartis. Under the terms of the agreement, Novartis received exclusive development and commercialization rights outside of the United States to our JAK inhibitor ruxolitinib and certain back-up compounds for hematologic and oncology indications, including all hematological malignancies, solid tumors and myeloproliferative diseases. We retained exclusive development and commercialization rights to JAKAFI (ruxolitinib) in the United States and in certain other indications. Novartis also received worldwide exclusive development and commercialization rights to our MET inhibitor compound capmatinib and certain back-up compounds in all indications.

Under this agreement, each company is responsible for costs relating to the development and commercialization of ruxolitinib in its respective territories, with costs of collaborative studies shared equally. Novartis is also responsible for all costs relating to the development and commercialization of capmatinib.

We were initially eligible to receive up to $174.0 million for the achievement of development milestones, up to $495.0 million for the achievement of regulatory milestones and up to $500.0 million for the achievement of sales milestones. In addition, we were initially eligible to receive up to $75.0 million of additional potential development and regulatory milestones relating to graft-versus-host-disease (“GVHD”). Since the inception of the agreement through March 31, 2026, we have recognized and received, in the aggregate, $157.0 million for the achievement of development milestones, $345.0 million for the achievement of regulatory milestones, and $200.0 million for the achievement of sales milestones.

We are obligated to pay to Novartis tiered royalties in the low single-digits on future JAKAFI net sales within the United States. On May 11, 2025, we and Novartis entered into a settlement agreement (the “Settlement Agreement”) with respect to litigation initiated by Novartis relating to the duration of royalty payments owed by us to Novartis under the Collaboration and License Agreement. Under the Settlement Agreement, we agreed to reduce by 50% the royalty rate payable by us on future net sales of JAKAFI in the United States beginning January 1, 2025 for a period defined in the Settlement Agreement.

During the three months ended March 31, 2026 and 2025, such royalties on net sales within the United States totaled $16.1 million and $29.8 million, respectively, and were reflected in cost of sales on the condensed consolidated statements of operations. As a result of the Settlement Agreement noted above, the reduced royalty paid for the quarter ended March 31, 2025 was approximately $14.9 million. At March 31, 2026 and December 31, 2025, approximately $16.1 million and $20.3 million, respectively, of accrued royalties were included in accrued and other current liabilities on the condensed consolidated balance sheets.

We also are eligible to receive tiered, double-digit royalties ranging from the upper-teens to the mid-twenties on future JAKAVI (the trade name used by Novartis for ruxolitinib sales outside of the United States) net sales outside of the United States, and tiered, worldwide royalties on TABRECTA net sales that range from 12% to 14%. Product royalty revenue related to Novartis’ net sales of JAKAVI outside of the United States for the three months ended March 31, 2026 and 2025, was $105.6 million and $92.1 million, respectively. Product royalty revenue related to Novartis’ net sales of TABRECTA worldwide for the three months ended March 31, 2026 and 2025, was $6.0 million and $6.4 million, respectively.

Lilly – Baricitinib

In December 2009, we entered into a License, Development and Commercialization Agreement with Lilly. Under the terms of the agreement, Lilly received exclusive worldwide development and commercialization rights to our JAK inhibitor baricitinib, and certain back-up compounds for inflammatory and autoimmune diseases.

Under this agreement, we were initially eligible to receive up to $150.0 million for the achievement of development milestones, up to $365.0 million for the achievement of regulatory milestones and up to $150.0 million for the achievement of sales milestones. In October 2025, the parties amended the agreement to enable Lilly to commercialize baricitinib for the treatment of Type 1 diabetes mellitus and to restructure the royalty obligations on net sales of baricitinib, certain developmental and regulatory milestones associated with baricitinib, and the marketing and sales support obligations of Lilly. Beginning in October 2025, we are now eligible to receive either a fixed royalty amount or tiered royalties based on defined levels of quarterly global net sales, with the tiered royalties up to a rate in the mid-teens. Since the inception of the agreement through March 31, 2026, we recognized and received, in aggregate, $149.0 million for the achievement of development milestones, $335.0 million for the achievement of regulatory milestones, $50.0 million for the achievement of sales milestones, and $100.0 million for the functional intellectual property transfer related to Type 1 diabetes mellitus.

Product royalty revenue related to Lilly net sales of OLUMIANT outside of the United States for the three months ended March 31, 2026 and 2025 was $36.4 million and $30.8 million, respectively.

MacroGenics

In October 2017, we entered into a Global Collaboration and License Agreement with MacroGenics, Inc. (“MacroGenics”). Under this agreement, we received exclusive development and commercialization rights worldwide to MacroGenics’ INCMGA0012 (formerly MGA012), an investigational monoclonal antibody that inhibits PD-1. Except as set forth in the succeeding sentence, we have sole authority over and bear all costs and expenses in connection with the development and commercialization of INCMGA0012 in all indications, whether as a monotherapy or as part of a combination regimen. MacroGenics has retained the right to develop and commercialize, at its cost and expense, its pipeline assets in combination with INCMGA0012. In addition, MacroGenics has the right to manufacture a portion of both companies’ global clinical and commercial supply needs of INCMGA0012.

Since the inception of the agreement, inclusive of amendments to the agreement, through March 31, 2026, we have paid MacroGenics developmental and regulatory milestones totaling $215.0 million. After these amendments and subsequent payments, MacroGenics will be eligible to receive up to an additional $210.0 million in future contingent development and regulatory milestones, and up to $330.0 million in sales milestones as well as tiered royalties ranging from 15% to 24% of global net sales. In June 2025, MacroGenics sold certain of its rights to such future tiered royalties on and after June 30, 2025 to Sagard Healthcare Partners (Delaware) II LP.

Syndax

In September 2021, we entered into a Collaboration and License Agreement with Syndax Pharmaceuticals, Inc. (“Syndax”), covering the worldwide development and commercialization of SNDX-6352 (“axatilimab”). Under the terms of our agreement, we received exclusive commercialization rights to axatilimab outside of the United States and share commercialization rights in the United States with Syndax. We are responsible for leading the commercialization strategy and booking all revenue from sales of axatilimab globally. Incyte and Syndax share equally the profits and losses from the co-commercialization efforts in the United States. Sales of axatilimab outside the United States are subject to our royalty payment obligations to Syndax, as set forth below. We and Syndax have agreed to co-develop axatilimab and to share development costs associated with global and U.S.-specific clinical trials, with Incyte responsible for 55% of such costs and Syndax responsible for 45% of such costs. Each company is responsible for funding any independent development activities.

Inclusive of an upfront, non-refundable payment, since the inception of the agreement through March 31, 2026, we have made payments of $129.5 million to Syndax, which were previously recorded in research and development expense or in other intangible assets, as discussed above. Syndax is eligible to receive up to $207.5 million in future contingent development and regulatory milestones and up to $225.0 million in sales milestones as well as tiered royalties ranging in the mid-teens on net sales in Europe and Japan and low double digit percentage on net sales in the rest of the world outside of the United States. Syndax’s right to receive royalties in any particular country will expire upon the last to occur of (a) the expiration of patent rights in that particular country, (b) a specified period of time after the first post-marketing authorization sale of a licensed product comprising axatilimab in that country, and (c) the expiration of any regulatory exclusivity for that licensed product in that country.

As of March 31, 2026, we held an investment of approximately 1.4 million shares of Syndax common stock. The fair market value of our long term investment in Syndax as of March 31, 2026 and December 31, 2025 was $33.2 million and $29.9 million, respectively. For the three months ended March 31, 2026 and 2025, we recorded an unrealized gain of $3.3 million and unrealized loss of $1.3 million, respectively, based on the change in fair value of Syndax's common stock during the respective periods.

Research and development expenses for the three months ended March 31, 2026 and 2025, includes $5.4 million and $4.7 million respectively, related to our 55% share of the co-development costs for axatilimab. At March 31, 2026 and December 31, 2025, $1.4 million and $2.4 million, respectively, was included in accrued and other liabilities on the condensed consolidated balance sheet for amounts due to Syndax under the agreement.

In connection with the United States co-commercialization efforts, Syndax's 50% share of profit was $14.4 million for the three months ended March 31, 2026, which is reflected in cost of sales on the condensed consolidated statement of operations. At March 31, 2026 and December 31, 2025, $22.5 million and $27.6 million, respectively, was included in accrued and other liability on the consolidated balance sheet for amounts due to Syndax related to United States co-commercialization activities.

Prelude

In November 2025, we entered into an exclusive purchase option agreement with Prelude Therapeutics Incorporated ("Prelude"). Under the terms of the agreement, we secured an exclusive option to acquire Prelude's mutant selective JAK2V617F JH2 inhibitor program, including Prelude's library of preclinical candidates. We paid Prelude a total of $60.0 million, comprised of an upfront payment of $35.0 million, plus a $25.0 million equity investment in Prelude. The $35.0 million upfront payment was recorded in research and development expense during the fourth quarter of 2025. We purchased 6.25 million shares of Prelude non-voting common stock at a price of $4.00 per share. Of this $25.0 million equity investment, approximately $17.1 million was expensed in research and development during the fourth quarter of 2025 as a premium above fair value of the stock purchase. The remaining $7.9 million is the initial fair value of our investment in Prelude. We are accounting for our shares held in Prelude at fair value whereby the investment is marked to market through earnings in each reporting period. Given our intent to hold the investment for the foreseeable future, we have classified the investment within long term investments on the accompanying condensed consolidated balance sheets. For the three months ended March 31, 2026, we recorded an unrealized gain of $3.3 million based on the change in fair value of Prelude's common stock during the period. The fair market value of our total long term investment in Prelude as of March 31, 2026 and December 31, 2025 was $21.4 million and $18.1 million, respectively.

Prelude expects to advance the JAK2V617F program to pre-defined milestones. We may elect to exercise our exclusive option during the option period to acquire the program and associated assets from Prelude for $100.0 million. In addition, if we exercise our option, Prelude would be eligible to receive up to $775.0 million in additional clinical and regulatory milestones, and single digit royalties on global net sales.

If we elect to not exercise our option to acquire the program, all JAK2V617F global program rights and interests would remain in the sole ownership and control of Prelude.

Other Agreements

In addition to the license and collaboration agreements discussed above, we have various other license and collaboration agreements that are not individually material to our operating results or financial condition at this time. Pursuant to the terms of those agreements, we may be required to pay, or we may receive, additional amounts contingent upon the occurrence of various future events such as future discovery, development, regulatory or commercial milestones, which in the aggregate could be material. In addition, if any products related to these collaborations are approved for sale, we may be required to pay, or we may receive, royalties on future sales. The payment or receipt of these amounts, however, is contingent upon the occurrence of various future events, the likelihood of which cannot presently be determined.

Note 8. Property and Equipment, net

Property and equipment, net consists of the following (in thousands):

	March 31, 2026	December 31, 2025
Office equipment	$ 25,257	$ 24,411
Laboratory equipment	259,861	258,003
Computer equipment	160,555	152,156
Land	11,221	11,273
Building and leasehold improvements	608,820	610,027
Operating lease right-of-use assets	18,327	19,596
Construction in progress	25,124	30,485
	1,109,165	1,105,951
Less accumulated depreciation and amortization	(388,996)	(375,066)
Property and equipment, net	$ 720,169	$ 730,885

In May 2024, we purchased additional property in Wilmington, Delaware, including land, office buildings and parking garages for a purchase price of $48.7 million. Subsequent to the purchase, we incurred additional construction costs of approximately $28.6 million through December 2025. During December 2025, the downtown Wilmington, Delaware properties met the criteria to be classified as assets held for sale. As a result of this classification, we recorded an asset impairment charge of $76.3 million on our consolidated statement of operations for the year ended December 31, 2025 relating to the downtown Wilmington properties in order to reflect the properties at the lower of their carrying amount or estimated fair value less cost to sell as of December 31, 2025. The estimated fair value less cost to sell of the properties was recorded within the Prepaid expenses and other current assets line item on our consolidated balance sheet as of December 31, 2025. During the three months ended March 31, 2026, we sold these downtown properties, and recognized an additional $23.2 million of expenses relating to disposal costs, which are included in Asset impairment and related disposal costs in the condensed consolidated statements of operations.

Note 9. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Royalties	$ 37,450	$ 40,678
Clinical related costs	177,703	175,932
Sales allowances	722,412	642,468
Sales and marketing	64,762	71,248
Accrued taxes	5,934	4,755
Operating lease liabilities	5,603	5,697
Other current liabilities	78,444	90,723
Total accrued and other current liabilities	$ 1,092,308	$ 1,031,501

Note 10. Other Comprehensive Income (Loss)

The following tables summarize the activity related to each component of accumulated other comprehensive income (loss) during the three months ended March 31, 2026 and 2025:

(Amounts presented net of taxes)	Foreign Currency Translation Gains (Loss)	Net Unrealized Gains (Losses) on Marketable Securities	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income (Loss)
Balances at January 1, 2026	$ 51,433	$ 1,994	$ (27,965)	$ 25,462
Other comprehensive loss before reclassifications	(897)	(2,485)	—	(3,382)
Net amount reclassified from accumulated other comprehensive income (loss)	—	—	234	234
Net other comprehensive (loss) income	(897)	(2,485)	234	(3,148)
Balances at March 31, 2026	$ 50,536	$ (491)	$ (27,731)	$ 22,314

(Amounts presented net of taxes)	Foreign Currency Translation Gains	Net Unrealized Gains on Marketable Securities	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income (Loss)
Balances at January 1, 2025	$ 26,456	$ 346	$ (39,923)	$ (13,121)
Other comprehensive income before reclassifications	5,440	931	—	6,371
Net amount reclassified from accumulated other comprehensive income (loss)	—	—	512	512
Net other comprehensive income	5,440	931	512	6,883
Balances at March 31 2025	$ 31,896	$ 1,277	$ (39,411)	$ (6,238)

Note 11. Stock Compensation

2010 Stock Incentive Plan. Under our Amended and Restated 2010 Stock Incentive Plan, as amended (the "2010 Stock Plan"), we may issue common stock to employees, non-employee directors, consultants, and scientific advisors. Awards under the 2010 Stock Plan include stock options, restricted stock units ("RSUs") and performance shares ("PSUs"). A total of 74,953,475 shares of common stock are reserved for issuance pursuant to the 2010 Stock Plan.

2024 Inducement Stock Incentive Plan. Our Board of Directors has adopted the Incyte Corporation 2024 Inducement Stock Incentive Plan, as amended (the "2024 Inducement Plan"). In reliance on Nasdaq Marketplace Rule 5635(c)(4), stockholder approval was not obtained. A total of 2,000,000 shares of common stock are reserved for issuance pursuant to the 2024 Inducement Plan.

We recorded $64.1 million and $61.0 million of stock compensation expense on our condensed consolidated statements of operations for the three months ended March 31, 2026 and March 31, 2025, respectively. Stock compensation expense included within our condensed consolidated statements of operations included research and development expense of $39.2 million and $36.7 million for the three months ended March 31, 2026 and 2025, respectively. Stock compensation expense included within our condensed consolidated statements of operations also included selling, general and administrative expense of $24.0 million and $23.4 million for the three months ended March 31, 2026 and 2025, respectively. Stock compensation expense included within our condensed consolidated statements of operations also included cost of sales of $0.9 million and $0.9 million, respectively, for the three months ended March 31, 2026 and 2025.

We utilized the Black-Scholes valuation model for estimating the fair value of the stock compensation granted, with the following weighted-average assumptions:

	Employee Stock Options		Employee Stock Purchase Plan	
	For the Three Months Ended March 31,		For the Three Months Ended March 31,	
	2026	2025	2026	2025
Average risk-free interest rates	3.75 %	4.38 %	3.72 %	4.23 %
Average expected life (in years)	4.71	4.66	0.50	0.50
Volatility	29 %	28 %	35 %	36 %
Weighted-average fair value (in dollars)	$ 33.34	$ 22.67	$ 22.49	$ 17.03

The risk-free interest rate is derived from the U.S. Federal Reserve rate in effect at the time of grant. The expected life calculation is based on the observed and expected time to the exercise of options by our employees based on historical exercise patterns for similar type options. Expected volatility is based on the historical volatility of our common stock over the period commensurate with the expected life of the options. A dividend yield of zero is assumed based on the fact that we have never paid cash dividends and have no present intention to pay cash dividends. Nonemployee awards are measured on the grant date by estimating the fair value of the equity instruments to be issued using the expected term, similar to our employee awards.

Option activity under our 2010 Stock Plan and 2024 Inducement Plan was as follows:

	Shares Subject to Outstanding Options	
	Shares	Weighted Average Exercise Price
Balance at December 31, 2025	10,859,861	$ 83.46
Options granted	326,376	$ 105.89
Options exercised	(1,320,790)	$ 76.76
Options cancelled	(154,099)	$ 86.65
Balance at March 31, 2026	9,711,348	$ 85.07

Our annual stock option grants generally have a 10-year term and vest over four years, with 25% vesting after one year and the remainder vesting in 36 equal monthly installments, subject to customary retirement provisions that may accelerate the requisite service period for expense recognition purposes.

RSU and PSU award activity under the 2010 Stock Plan and 2024 Inducement Plan was as follows:

	Shares Subject to Outstanding Awards	
	Shares	Grant Date Value
Balance at December 31, 2025	9,275,450	$ 66.86
RSUs granted	281,129	$ 104.78
RSUs released	(235,796)	$ 71.08
PSUs released	(18,750)	$ 82.86
RSUs cancelled	(168,302)	$ 67.16
PSUs cancelled	(16,599)	$ 84.44
Balance at March 31, 2026	9,117,132	$ 67.85

RSUs and PSUs are granted to our employees at the share price on the date of grant. Each RSU represents the right to acquire one share of our common stock. Each RSU granted in connection with our annual equity awards will vest 25% annually over four years, while each RSU granted as outstanding merit awards or as part of retention award programs will vest in a single installment at the end of four years, subject to customary retirement provisions that may accelerate the requisite service period for expense recognition purposes.

We grant PSUs with performance and/or service-based milestones with graded and/or cliff vesting over three to six years. The shares of our common stock into which each PSU may convert is subject to a multiplier based on the level at which the financial, developmental and market performance conditions are achieved over the service period. Compensation expense for PSUs with financial and developmental performance conditions is recorded over the estimated service period for each milestone when the performance conditions are deemed probable of achievement. For PSUs containing performance conditions which were not deemed probable of achievement, no stock compensation expense is recorded. Compensation expense for PSUs with market performance conditions is calculated using a Monte Carlo simulation model as of the date of grant and recorded over the requisite service period. For the three months ended March 31, 2026 and March 31, 2025, we recorded $7.0 million and $3.1 million, respectively, of stock compensation expense for PSUs on our condensed consolidated statements of operations.

The following table summarizes our shares available for grant under the 2010 Stock Plan and 2024 Inducement Plan. Each RSU and PSU grant reduces the available share pool by one share.

	Shares Available for Grant
Balance at December 31, 2025	9,059,040
Options, RSUs and PSUs granted and issuance of shares for services rendered	(608,460)
Options, RSUs and PSUs cancelled	339,000
Balance at March 31, 2026	8,789,580

We estimate an annualized forfeiture rate for our options, RSUs and PSUs. Under the true-up provisions of the stock compensation guidance, we will record additional expense if the actual forfeiture rate is lower than we estimated, and will record a recovery of prior expense if the actual forfeiture is higher than we estimated.

Total compensation cost of options granted but not yet vested, as of March 31, 2026, was $24.3 million, which is expected to be recognized over the weighted average period of approximately 1.2 years. Total compensation cost of RSUs granted but not yet vested, as of March 31, 2026, was $221.6 million, which is expected to be recognized over the weighted average period of approximately 1.4 years. Total compensation cost of PSUs granted but not yet vested, as of March 31, 2026, was $32.5 million, which is expected to be recognized over the weighted average period of 2.1 years, should the underlying performance conditions be deemed probable of achievement.

Note 12. Income Taxes

For the three months ended March 31, 2026 and 2025, we recorded the following provisions for income taxes and effective tax rates as compared to our income before provision for income taxes (in thousands):

	Three Months Ended March 31,	
	2026	2025
Income before provision for income taxes	$ 343,600	$ 234,190
Provision for income taxes	40,270	75,987
Effective tax rate	11.7%	32.4%

Our effective tax rate for the three months ended March 31, 2026 is lower than the U.S. statutory rate primarily due to favorable changes in unrecognized tax benefits, tax benefits associated with the generation of tax credits and favorable foreign tax effects. This is partially offset by a net increase in valuation allowances against certain U.S. federal and state deferred tax assets. Our effective tax rate for the three months ended March 31, 2025 was higher than the U.S. statutory rate primarily due to an increase in valuation allowances against certain U.S. federal and state deferred tax assets and unfavorable foreign tax effects. This was partially offset by tax benefits associated with the generation of tax credits and favorable effects of cross-border tax laws.

The effective tax rate for the three months ended March 31, 2026, was favorable as compared to the three months ended March 31, 2025, primarily due to the recognition of previously unrecognized tax benefits and reversals of certain U.S. and foreign valuation allowances in the period ended March 31, 2026. In addition, the effective tax rate for the three months ended March 31, 2026 reflects the favorable impacts of the One Big Beautiful Bill Act ("OBBBA") discussed below.

We accrue interest and penalties related to unrecognized tax benefits as a component of the provision for income taxes.

One or more of our legal entities file income tax returns in the U.S. and in certain foreign jurisdictions. Our income tax returns may be examined by tax authorities in those jurisdictions. Significant disputes may arise with tax authorities involving issues such as the timing and amount of deductions, the use of tax credits and allocations of income and expenses among various tax jurisdictions because of differing interpretations of tax laws and regulations and relevant facts. In the U.S., the statute of limitations remains open beginning with tax year 2021. We were under U.S. federal audit for the 2021 tax year; during the first quarter of 2026, the federal audit for tax year 2021 was completed with no material matters identified.

The Organization for Economic Cooperation and Development Pillar 2 guidelines, supported by over 130 countries worldwide, establish a 15% global minimum tax on adjusted financial results. Pillar 2 legislation has been enacted in multiple jurisdictions in which we operate and became effective beginning in 2024. We have evaluated the impact of Pillar 2 on our business, and determined there are no material impacts on our effective tax rate at this time. We will continue to monitor additional enactments and guidance as they occur and assess any future impacts in the period they become effective.

In July 2025, the U.S. enacted the OBBBA, which modified certain provisions of the Tax Cuts and Jobs Act of 2017, including those related to the expensing of domestic research and development costs, the deduction for foreign-derived intangible income, and the global intangible low-taxed income regime. The OBBBA also introduced multiple elections related to the treatment of domestic research and development expenditures. As a result of these changes, we expect to fully deduct certain expenditures for which deferred tax assets had previously been recorded and, accordingly, no longer maintain a valuation allowance against such amounts. The absence of these deferred tax assets and related valuation allowance continues to have a favorable impact on our effective tax rate for the current period. We will continue to evaluate the application of the OBBBA's various elections in connection with the preparation of our income tax return.

Note 13. Net Income Per Share

Net income per share was calculated as follows for the periods indicated below:

	Three Months Ended March 31,	
	2026	2025
Basic net income	$ 303,330	$ 158,203
Weighted average common shares outstanding	199,343	193,712
Basic net income per share	$ 1.52	$ 0.82
Diluted net income	$ 303,330	$ 158,203
Weighted average common shares outstanding	199,343	193,712
Dilutive stock options and awards	7,487	4,485
Weighted average shares used to compute diluted net income per share	206,830	198,197
Diluted net income per share	$ 1.47	$ 0.80

The potential common shares that were excluded from the diluted net income per share computation are as follows:

	Three Months Ended March 31,	
	2026	2025
Outstanding stock options and awards	2,504,249	11,075,503

Note 14. Employee Benefit Plans

Defined Contribution Plans

We have a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code covering all U.S. employees and defined contribution plans for other Incyte employees in Europe and Japan. Employees may contribute a portion of their compensation, which is then matched by us, subject to certain limitations. Defined contribution expense for the three months ended March 31, 2026 and March 31, 2025 was $6.4 million and $5.8 million, respectively.

Defined Benefit Pension Plans

We have defined benefit pension plans for our employees in Europe which provide benefits to employees upon retirement, death or disability. The assets of the pension plans are held in collective investment accounts represented by the cash surrender value of an insurance policy and are classified as Level 2 within the fair value hierarchy.

The net periodic benefit cost was as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Service cost	$ 4,087	$ 3,642
Interest cost	695	437
Expected return on plan assets	(1,954)	(1,672)
Amortization of prior service cost	107	194
Amortization of actuarial losses	127	318
Net periodic benefit cost	$ 3,062	$ 2,919

The components of net periodic benefit cost other than the service cost component are included in Other, net on the condensed consolidated statements of operations. We expect to contribute a total of $12.6 million to the pension plans in 2026 inclusive of the amounts contributed to the plan during the current period.

Note 15. Commitments and Contingencies

Commitments

In August 2021, we entered into a revolving credit and guaranty agreement, which was subsequently amended in May 2023 and June 2024 (as amended, the "Credit Agreement"), among Incyte Corporation, as borrower, our subsidiary Incyte Holdings Corporation, as a guarantor, a group of lenders (the "Lenders"), and J.P. Morgan Chase Bank, N.A., as administrative agent. Under the Credit Agreement, the Lenders have committed to provide an unsecured revolving credit facility in an aggregate principal amount of up to $500.0 million. The June 2024 amendment to the Credit Agreement extended the maturity date of the revolving credit facility from August 2024 to June 2027. We may increase the maximum revolving commitments or add one or more incremental term loan facilities to the Credit Agreement, subject to obtaining commitments from any participating lenders and certain other conditions, in an amount not to exceed (1) $250.0 million plus (2) an additional amount, so long as after giving effect to the incurrence of such additional amount, our pro forma consolidated leverage ratio would not exceed 0.25:1.00 above our consolidated leverage ratio in effect immediately prior to giving effect to such increase.

Loans under the Credit Agreement will bear interest, at our option, at a per annum rate equal to either (a) a base rate (but not less than 1.00%) plus an applicable rate per annum varying from 0.125% to 0.875% depending on our consolidated leverage ratio or (b) a rate based on the secured overnight financing rate ("SOFR") plus a credit spread adjustment of 0.10% (but not less than 0.00%), plus an applicable rate per annum varying from 1.125% to 1.875% depending on our consolidated leverage ratio. Commitment fees payable on the undrawn commitment range from 0.15% per annum to 0.225% per annum, based on our consolidated leverage ratio. We may, at our option, prepay any borrowings under the Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty, subject to customary exceptions. As of March 31, 2026 and December 31, 2025, we had no outstanding borrowings or letters of credit outstanding and were in compliance with all covenants under this facility.

Contingencies

In the ordinary course of our business, we may become involved in lawsuits, proceedings, and other disputes, including commercial, intellectual property, regulatory, employment, and other matters. The outcome of these disputes, regardless of the merits, is inherently uncertain and it is possible that an unfavorable resolution of these matters could adversely affect us, our results of operations, financial condition or cash flows. We record a reserve for these matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated.

We have entered into the collaboration agreements described in Note 7, as well as various other collaboration agreements that are not individually, or in the aggregate, significant to our operating results or financial condition at this time. We may in the future seek to license additional rights relating to technologies or drug development candidates in connection with our drug discovery and development programs. Under these agreements, we may be required to pay upfront fees, milestone payments, and royalties on sales of future products.

We brought a lawsuit against the U.S. Centers for Medicare and Medicaid Services ("CMS") alleging that a regulation issued by CMS on the definition of "line extension" for purposes of the Medicaid rebate program is too broad and has the unintended consequence of treating OPZELURA as a "line extension" of JAKAFI under this program. We believe that such a reading would violate CMS's statutory authority and be arbitrary and capricious given that OPZELURA, among other differentiators, is indicated to treat entirely different medical conditions and entirely different patient populations than JAKAFI. As of March 31, 2026, we have accrued approximately $245.9 million within accrued and other current liabilities on the condensed consolidated balance sheet, relating to the incremental rebates that would be owed were OPZELURA considered a line extension of JAKAFI. The impact on OPZELURA gross to net deductions for the quarter ending March 31, 2026 is approximately 8.4%. If OPZELURA is not treated as a line extension of JAKAFI, this would result in a reversal of our accrual and a lower future gross to net deduction for OPZELURA.

In addition, we have various patent disputes and litigation initiated by us related to potential generic or other competition for our products, as described under Part II, Item 1A. "Risk Factors—Risks Relating to Commercialization of Our Products— Competition for our products could harm our business and result in a decrease in our revenue" below.

Note 16. Segment Information

We operate in one operating segment, and therefore one reportable segment, focused on the global discovery, development and commercialization of proprietary therapeutics. We manage business activities on a consolidated basis through the development and commercialization of oncology and dermatology products, which are sold to U.S. and international customers. Our determination that we operate as a single operating segment is consistent with the financial information regularly reviewed by the chief operating decision maker for purposes of evaluating performance, allocating resources, setting incentive compensation targets, and planning and forecasting for future periods. Our chief operating decision maker is the Chief Executive Officer.

The accounting policies for our single operating segment are the same as those described in the summary of significant accounting policies in our Annual Report on Form 10-K for the year ended December 31, 2025. Our single operating segment generates net sales from the development and commercialization of oncology and dermatology pharmaceutical products, which are developed by our research and development department, as well as from product royalties, milestone and contract revenues from the out-licensing of our intellectual property to third parties.

For our segment, the chief operating decision maker uses net income or loss, that also is reported on the condensed consolidated statements of operations as consolidated net income, to allocate resources (including employees, property, and financial resources), predominantly during the annual budget and forecasting process. The chief operating decision maker also uses consolidated net income or loss, along with non-financial inputs and qualitative information, to evaluate our performance, establish compensation, monitor budget versus actual results, and decide the level of investment in our various operating activities and other capital allocation activities. The measure of segment assets is reported on the condensed consolidated balance sheet as total consolidated assets.

Net income for our segment was as follows (in thousands):

	Three Months Ended March 31,	
	2026	2025
Net sales	$ 1,104,484	$ 922,274
Product royalty revenues	151,192	130,624
Milestone and contract revenues	17,000	—
Total revenues	1,272,676	1,052,898
Costs, expenses and other:		
Cost of sales (including definite-lived intangible amortization)	104,523	73,188
Research and development - internal[1]	260,176	228,345
Research and development - external[2]	243,127	193,434
Other research and development[3]	12,600	15,500
Sales and marketing	259,563	257,652
General and administrative	68,524	68,039
Asset impairment and related disposal costs	23,214	—
(Gain) loss on change in fair value of acquisition-related contingent consideration	(168)	11,572
Other segment items[4]	(2,213)	46,965
Net income	$ 303,330	$ 158,203

1. Research and development - internal is comprised of internally generated costs such as salaries, travel, regulatory costs, lab costs, contracting, etc.
2. Research and development - external is comprised of specific program spend with external vendors (i.e. contract manufacturing organizations, contract research organizations and lab vendors for clinical, technical operations and toxicology services).
3. Other research and development is comprised of all other costs including certain one-time costs resulting from the acquisition of IPR&D assets and one-time development milestone expenses.
4. Other segment items is comprised of interest income, interest expense, realized and unrealized gain (loss) on equity investments, other, net, and provision for income taxes.

Total Revenues by Geographic Location

Total revenues by geographic region consisted of the following (in thousands):

	Three Months Ended March 31,	
	2026	2025
United States	$ 1,171,468	$ 981,557
Europe	92,429	68,612
Other countries	8,779	2,729
Total revenues	$ 1,272,676	$ 1,052,898

Property and Equipment, Net by Geographic Location

Property and equipment, net by geographic location was as follows (in thousands):

	March 31, 2026	December 31, 2025
United States	$ 401,338	$ 406,829
Switzerland	304,818	309,802
Other countries	14,013	14,254
Total property and equipment, net	$ 720,169	$ 730,885

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations as of and for the three months ended March 31, 2026 should be read in conjunction with the unaudited condensed consolidated financial statements and notes to those statements included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements as of and for the year ended December 31, 2025 included in our Annual Report on Form 10-K for the year ended December 31, 2025 previously filed with the SEC.

Forward-Looking Statements

This report contains forward-looking statements that involve risks and uncertainties. These statements relate to future periods, future events or our future operating or financial plans or performance. Often, these statements include the words "believe," "expect," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may," or the negative of these terms, and other similar expressions. These forward-looking statements include, among other things, statements as to:

- *the discovery, development, formulation, manufacturing and commercialization of our compounds, our drug candidates and JAKAFI®/JAKAVI® (ruxolitinib), PEMAZYRE® (pemigatinib), ICLUSIG® (ponatinib), MONJUVI® (tafasitamab-cxix) / MINJUVI® (tafasitamab), OPZELURA® (ruxolitinib) cream, ZYNYZ® (retifanlimab-dlwr) and NIKTIMVO™ (axatilimab);*
- *our collaboration and strategic relationship strategy, and anticipated benefits and disadvantages of entering into collaboration agreements;*
- *our licensing, investment and commercialization strategies, including our plans to commercialize our drug products and drug candidates;*
- *the regulatory approval process, including obtaining U.S. Food and Drug Administration and other international regulatory authorities' approval for our products in the United States and abroad;*
- *the safety, effectiveness and potential benefits and indications of our drug candidates and other compounds under development;*
- *the timing, structure and size of our clinical trials; the compounds expected to enter clinical trials; the nature and timing of clinical trial results;*
- *our ability to manage expansion of our drug discovery and development operations;*
- *future required expertise relating to clinical trials, manufacturing, sales and marketing;*
- *obtaining and terminating licenses to products, drug candidates or technology, or other intellectual property rights;*
- *the receipt from or payments pursuant to collaboration or license agreements resulting from milestones or royalties;*
- *plans to develop and commercialize products on our own;*
- *plans for our manufacturing operations, including plans relating to the use of third-party manufacturers;*
- *expected expenses and expenditure levels; expected uses of cash; expected revenues and sources of revenues; expectations with respect to inventory;*
- *expectations with respect to reimbursement for our products; expectations with respect to the impact on our revenues of U.S. or other government proposals regarding drug pricing;*
- *the expected impact of recent accounting pronouncements and changes in tax laws;*
- *expected losses; the fluctuation of losses; the currency translation impact associated with non-U.S. operations and collaboration royalties;*
- *our profitability; the adequacy of our capital resources to continue operations; our expectations with respect to the need or ability to raise additional capital;*
- *the costs and other financial impacts associated with resolving matters in litigation and governmental proceedings;*

- *our expectations regarding competition;*
- *our investments, including anticipated expenditures, losses and expenses; and*
- *our patent prosecution and maintenance efforts.*

These forward-looking statements reflect our current views with respect to future events, are based on assumptions and are subject to risks and uncertainties. These risks and uncertainties could cause actual results to differ materially from those projected and include, but are not limited to:

- *our ability to discover, develop, formulate, manufacture and successfully commercialize our drug products and drug candidates;*
- *our ability to obtain, or maintain at anticipated levels, coverage and reimbursement for our products from government health administration authorities, private health insurers and other organizations;*
- *changes in drug pricing and reimbursement in the markets in which we or our collaborators and licensees commercialize our drug products;*
- *our ability to establish and maintain effective sales, marketing and distribution capabilities;*
- *our ability to obtain and maintain regulatory approvals to market our products;*
- *our ability to achieve a significant market share in order to achieve or maintain profitability;*
- *civil or criminal penalties if we market our products in a manner that violates healthcare fraud and abuse and other applicable laws, rules and regulations;*
- *unanticipated delays in, or discontinuations of, research and development efforts;*
- *that previous preclinical testing or clinical trial results are not necessarily indicative of future clinical trial results;*
- *the conduct of our clinical trials, including geopolitical risks;*
- *changing regulatory requirements;*
- *adverse safety findings;*
- *that results of our clinical trials do not support submission of a marketing approval application for our drug candidates;*
- *our reliance on third-party manufacturers, collaborators, and clinical research organizations;*
- *the development of new products and their use by us and our current and potential collaborators;*
- *our ability to maintain or obtain adequate product liability and other insurance coverage;*
- *the impact of technological advances and competition to develop and commercialize drug products similar to our own, including potential generic competition;*
- *our ability to obtain and maintain patent protection and freedom to operate for our discoveries and to continue to be effective in prosecuting, maintaining, defending and enforcing patent claims and other intellectual property rights;*
- *the impact of changing laws on our patent portfolio;*
- *developments in, and expenses relating to, litigation and governmental proceedings;*
- *our ability to in-license drug candidates or other technology;*
- *unanticipated delays or changes in plans or regulatory agency interactions or other issues relating to our large molecule production facility;*
- *the impact of tariffs and trade conflicts and the effects of any economic slowdown;*
- *our ability to integrate successfully acquired businesses, development programs or technology;*
- *our ability to obtain additional capital when needed;*
- *fluctuations in net cash provided and used by operating, financing and investing activities;*

- *changes in tax laws and regulations and our ability to analyze the effects of new accounting pronouncements and apply new accounting rules;*
- *our ability to sustain profitability;*
- *public health pandemics such as the COVID-19 pandemic, natural disasters, or geopolitical events such as the Russian invasion of Ukraine and conflicts in the Middle East; and*
- *the risks set forth under "Risk Factors" in Item 1A of this Quarterly Report on Form 10-Q.*

Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by federal securities laws, we undertake no obligation to update any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

In this report all references to "Incyte," "we," "us," "our" or the "Company" mean Incyte Corporation and our subsidiaries, except where it is made clear that such term means only the parent company.

Incyte, JAKAFI, MINJUVI, MONJUVI, OPZELURA, PEMAZYRE and ZYNYZ are our registered trademarks and NIKTIMVO and JAKAFI XR are our trademarks. We also refer to trademarks of other corporations and organizations in this Quarterly Report on Form 10-Q.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties that could affect our ability to successfully implement our business strategy and affect our financial results. You should carefully consider all of the information in this report and, in particular, the following principal risks and all of the other specific factors described in Item 1A. "Risk Factors" of this report before deciding whether to invest in our company.

- We depend heavily on our lead product, JAKAFI (ruxolitinib), which is marketed as JAKAVI outside the United States. If we are unable to maintain revenues from JAKAFI/JAKAVI or those revenues decrease, our business may be materially harmed.
- If we or our collaborators are unable to obtain, or maintain at anticipated levels, coverage and reimbursement for our products from government health administration authorities, private health insurers and other organizations, our pricing may be affected and our product sales, results of operations and financial condition could be harmed.
- We depend upon a limited number of specialty pharmacies and wholesalers for a significant portion of any revenues from JAKAFI and most of our other drug products, and the loss of, or significant reduction in sales to, any one of these specialty pharmacies or wholesalers could adversely affect our operations and financial condition.
- If we are unable to establish and maintain effective sales, marketing and distribution capabilities, or to enter into agreements with third parties to do so, we will not be able to successfully commercialize our products.
- If we fail to comply with applicable laws and regulations, we could lose our approval to market our products or be subject to other governmental enforcement activity, and we could face increased costs, penalties and a loss of business.
- If we market our products in a manner that violates various laws and regulations, we may be subject to civil or criminal penalties.
- Competition for our products could harm our business and result in a decrease in our revenue.
- We or our collaborators may be unsuccessful in our efforts to discover and develop drug candidates and commercialize drug products.
- If we or our collaborators are unable to obtain regulatory approval for our drug candidates in the United States or foreign jurisdictions, we or our collaborators will not be permitted to commercialize products resulting from our research.
- Healthcare reform measures could impact the pricing and profitability of pharmaceuticals, and adversely affect the commercial viability of our or our collaborators' products and drug candidates.
- If we are unable to establish collaborations to fully exploit our drug discovery and development capabilities or if such collaborations are unsuccessful, our research, development and commercialization efforts may be unsuccessful, which could adversely affect our results of operations, financial condition and future revenue prospects.
- If we fail to enter into additional licensing agreements or if these arrangements are unsuccessful, our business and operations may be adversely affected.
- Even if a drug candidate that we develop receives regulatory approval, we may decide not to commercialize it if we determine that commercialization of that product would require more money and time than we are willing to invest.
- We have limited capacity to conduct preclinical testing and clinical trials, and our resulting dependence on other parties could result in delays in and additional costs for our drug development efforts.
- Our reliance on third parties for manufacture of certain of our drug products and drug candidates could result in short supply of the drugs, delays in clinical trials or drug development, increased costs, and withdrawal or denial of a regulatory authority's approval.

- The illegal distribution and sale by third parties of counterfeit or unfit versions of our or our collaborators' products or stolen products could harm our business and reputation.
- As most of our drug discovery and development operations are conducted at our headquarters in Wilmington, Delaware, the loss of access to this facility would negatively impact our business.
- The loss of the services of any of our key employees or our inability to attract and retain additional personnel would affect our ability to expand our drug discovery and development programs and achieve our objectives.
- If we fail to manage our growth effectively, our ability to develop and commercialize products could suffer.
- We may acquire businesses or assets, form joint ventures or make investments in other companies that may be unsuccessful, divert our management's attention and harm our operating results and prospects.
- Risks associated with our operations outside of the United States could adversely affect our business.
- If product liability lawsuits are brought against us, we could face substantial liabilities and may be required to limit commercialization of our products and our results of operations could be harmed.
- Because our activities involve the use of hazardous materials, we may be subject to claims relating to improper handling, storage or disposal of these materials that could be time consuming and costly.
- We may incur losses in the future, and we expect to continue to incur significant expenses to discover and develop drugs, which may make it difficult for us to achieve sustained profitability on a quarterly or annual basis in the future.
- We may need additional capital in the future. If we are unable to generate sufficient funds from operations, the capital markets may not permit us to raise additional capital at the time that we require it, which could result in limitations on our research and development or commercialization efforts or the loss of certain of our rights in our technologies or drug candidates.
- Our marketable securities and equity investments are subject to risks that could adversely affect our overall financial position, and changes in tax laws or regulations could adversely affect our results of operations, business and financial condition.
- If we are unable to achieve milestones, develop product candidates to license or renew or enter into new collaborations, our revenues may decrease, and future milestone and royalty payments may not contribute significantly to revenues for several years, and may never result in revenues.
- If we are subject to arbitration, litigation and infringement claims, they could be costly and disrupt our drug discovery and development efforts.
- We may be unable to adequately protect or enforce our proprietary information, which may result in its unauthorized use, a loss of revenue under a collaboration agreement or loss of sales to generic versions of our products or otherwise reduce our ability to compete in developing and commercializing products.
- If the effective term of our patents is decreased or if we need to refile some of our patent applications, the value of our patent portfolio and the revenues we derive from it may be decreased.
- International patent protection is particularly uncertain and costly, and our involvement in opposition proceedings may result in the expenditure of substantial sums and management resources.
- Significant disruptions of information technology systems, breaches of data security or unauthorized disclosures of personal information (including sensitive personal information) could adversely affect our business, and could subject us to liability or reputational damage.
- Increasing use of social media could give rise to liability, breaches of data security, or reputational damage.
- Increasing use of artificial intelligence-based software and tools creates new risks and challenges that could adversely affect our business or cause reputational harm.

Overview

Incyte is a global biopharmaceutical company engaged in the discovery, development and commercialization of proprietary therapeutics. Our global headquarters is located in Wilmington, Delaware, where we conduct discovery, clinical development and commercial operations. We also conduct clinical development and commercial operations from our European headquarters in Morges, Switzerland, and our other offices across Europe, as well as our Japanese headquarters in Tokyo and our Canadian headquarters in Montreal.

We are focused in three therapeutic areas that are defined by the indications of our approved medicines and the diseases for which our clinical candidates are being developed. These therapeutic areas are: Hematology, Oncology, and Inflammation and Autoimmunity ("IAI").

Hematology

Our hematology franchise includes four approved products, JAKAFI (ruxolitinib), ICLUSIG (ponatinib), MONJUVI (tafasitamab-cxix)/MINJUVI (tafasitamab) and NIKTIMVO (axatilimab-csfr), as well as multiple clinical development programs.

Approved Products

JAKAFI (ruxolitinib)

JAKAFI (ruxolitinib) was approved by the U.S. Food and Drug Administration ("FDA") in November 2011 for the treatment of adults with intermediate or high-risk myelofibrosis ("MF"); in December 2014 for the treatment of adults with polycythemia vera ("PV") who have had an inadequate response to or are intolerant of hydroxyurea; in May 2019 for the treatment of steroid-refractory acute graft-versus-host disease ("GVHD") in adult and pediatric patients 12 years and older; and in September 2021 for the treatment of chronic GVHD after failure of one or two lines of systemic therapy in adult and pediatric patients 12 years and older. MF and PV are both myeloproliferative neoplasms ("MPNs"), a group of rare blood cancers, and GVHD is an adverse immune response to an allogeneic hematopoietic stem cell transplant ("HSCT").

The FDA has granted JAKAFI orphan drug status for MF, PV and GVHD. In addition, ruxolitinib phosphate qualifies for the Small Biotech Exception from the Centers for Medicare and Medicaid Services ("CMS") under the Inflation Reduction Act.

Myelofibrosis. MF, a rare, life-threatening condition, is considered the most serious of the MPNs and can occur either as primary MF or as secondary MF in patients who previously had PV or essential thrombocythemia ("ET"). In November 2011, the FDA approved JAKAFI for the treatment of adults with intermediate or high-risk MF, including primary MF, post-PV MF and post-ET MF. There were no FDA approved therapies for MF until the approval of JAKAFI.

Polycythemia Vera. PV is an MPN typically characterized by elevated hematocrit, the volume percentage of red blood cells in whole blood, which can lead to a thickening of the blood and an increased risk of blood clots, as well as an elevated white blood cell and platelet count. In December 2014, the FDA approved JAKAFI for the treatment of patients with PV who have had an inadequate response to or are intolerant of hydroxyurea.

Graft-versus-host disease. GVHD is a condition that can occur after an allogeneic HSCT (the transfer of genetically dissimilar stem cells or tissue) where the donated bone marrow or peripheral blood stem cells view the recipient's body as foreign and attack various tissues. In May 2019, the FDA approved JAKAFI for the treatment of steroid-refractory acute GVHD in adult and pediatric patients 12 years and older. In September 2021, the FDA approved JAKAFI for the treatment of chronic GVHD after failure of one or two lines of systemic therapy in adult and pediatric patients 12 years and older.

Under our collaboration agreement with Novartis Pharmaceutical International Ltd. ("Novartis"), Novartis received exclusive development and commercialization rights to ruxolitinib outside of the United States for all hematologic and oncologic indications and sells ruxolitinib outside of the United States under the name JAKAVI. We are eligible to receive development and sales milestones as well as royalties from product sales outside the United States.

We have retained all development and commercialization rights to JAKAFI in the United States. We market JAKAFI in the United States through our own specialty sales force and commercial team. JAKAFI is distributed primarily through a network of specialty pharmacy providers and wholesalers that allow for efficient delivery of the medication by mail directly to patients or direct delivery to the patient's pharmacy.

We hold patents that cover the composition of matter and use of ruxolitinib and its salt. These patents, including applicable extensions, currently expire in mid and late 2028, respectively.

ICLUSIG (ponatinib)

In June 2016, we acquired the European operations of ARIAD Pharmaceuticals, Inc. and obtained an exclusive license to develop and commercialize ICLUSIG (ponatinib), a kinase inhibitor, in Europe and other select countries. The primary target for ICLUSIG is BCR-ABL, an abnormal tyrosine kinase that is expressed in chronic myeloid leukemia ("CML") and Philadelphia-chromosome positive acute lymphoblastic leukemia ("Ph+ ALL").

In the European Union, ICLUSIG is approved for the treatment of adult patients with chronic phase, accelerated phase or blast phase CML who are resistant to dasatinib or nilotinib; who are intolerant to dasatinib or nilotinib and for whom subsequent treatment with imatinib is not clinically appropriate; or who have the T315I mutation. In the European Union, ICLUSIG also is approved for the treatment of adult patients with Ph+ ALL who are resistant to dasatinib; who are intolerant to dasatinib and for whom subsequent treatment with imatinib is not clinically appropriate; or who have the T315I mutation.

MONJUVI (tafasitamab-cxix) / MINJUVI (tafasitamab)

In January 2020, we and MorphoSys AG ("MorphoSys") entered into a collaboration and license agreement to further develop and commercialize MorphoSys' proprietary anti-CD19 antibody tafasitamab (formerly MOR208) globally. In February 2024, we entered into a purchase agreement with MorphoSys relating to tafasitamab. As a result, we now hold exclusive global rights for tafasitamab, and the collaboration and license agreement was terminated.

Diffuse Large B-cell Lymphoma. In July 2020, the FDA approved MONJUVI (tafasitamab-cxix), in combination with lenalidomide, for the treatment of adult patients with relapsed or refractory ("r/r") diffuse large B-cell lymphoma ("DLBCL") not otherwise specified, including DLBCL arising from low grade lymphoma, and who are not eligible for autologous stem cell transplant ("ASCT"). In August 2021, the European Commission granted conditional marketing authorization for MINJUVI (tafasitamab) in combination with lenalidomide, followed by MINJUVI monotherapy, for the treatment of adult patients with r/r DLBCL who are not eligible for ASCT.

Follicular Lymphoma. In June 2025, MONJUVI (tafasitamab-cxix) was approved by the FDA for the treatment of adult patients with r/r follicular lymphoma ("FL") in combination with rituximab and lenalidomide. In December 2025, MINJUVI (tafasitamab) was approved by the European Commission in combination with lenalidomide and rituximab for the treatment of adult patients with r/r FL (Grade 1-3a) after at least one line of systemic therapy. Also in December 2025, MINJUVI (tafasitamab) was approved by Japan's Ministry of Health, Labour and Welfare ("MHLW") in combination with rituximab and lenalidomide for adult patients with r/r FL (2L+ FL).

NIKTIMVO (axatilimab-csfr)

In September 2021, we entered into an exclusive worldwide collaboration and license agreement with Syndax Pharmaceuticals, Inc. ("Syndax") to develop and commercialize axatilimab, Syndax's anti-CSF-1R monoclonal antibody.

In August 2024, the FDA approved NIKTIMVO (axatilimab-csfr) for the treatment of chronic GVHD after failure of at least two prior lines of systemic therapy in adult and pediatric patients. NIKTIMVO is the first approved anti-CSF-1R antibody targeting the drivers of inflammation and fibrosis seen in chronic GVHD. The U.S. commercial launch of NIKTIMVO commenced in January 2025.

Clinical Programs in Hematology

JAKAFI XR

We are developing a once-a-day formulation of ruxolitinib for potential use as monotherapy and in combinations. Bioavailability and bioequivalence data were published for ruxolitinib's once-daily ("QD") extended release ("XR") formulation at the European Hematology Association Virtual Congress in June 2021. In March 2023, the FDA issued a complete response letter ("CRL") for ruxolitinib XR tablets for QD use in the treatment of certain types of MF, PV and GVHD. In December 2023, we received FDA feedback and agreed on the requirements to address the CRL. In early 2025, we announced that a bioequivalence study of ruxolitinib XR was completed and the bioequivalence criteria were met. A response to the CRL has been submitted and we anticipate a regulatory decision and potential commercial launch in mid-2026.

INCA033989 (mutCALR)

INCA033989 is an Incyte-discovered, investigational, novel, anti-mutant calreticulin ("CALR")-targeted monoclonal antibody in clinical development for the treatment of adults with mutCALR-positive ET and MF.

Essential Thrombocythemia. INCA033989 is being evaluated for the treatment of adults with mutCALR-positive ET who are resistant or intolerant to at least one cytoreductive therapy. In 2025, we presented data from our Phase 1 study demonstrating a rapid and durable normalization of platelet counts and a reduction in peripheral blood mutCALR variant allele frequency ("VAF") correlating with hematologic response with INCA033989 treatment. INCA033989 was well tolerated with no dose limiting toxicities reported. In December 2025, we announced that the FDA granted Breakthrough Therapy designation to INCA033989 for the treatment of patients with ET harboring a Type 1 CALR mutation who are resistant or intolerant to at least one cytoreductive therapy. Based on positive feedback received from the FDA during the first quarter of 2026, a Phase 3 registrational study evaluating INCA033989 in Type 1 and non-Type 1 mutCALR positive patients with ET is on track to initiate in mid 2026.

Myelofibrosis. INCA033989 is being evaluated for the treatment of adults with mutCALR-positive MF. In December 2025, at the 2025 American Society of Hematology Annual Meeting, we presented data from our Phase 1 studies evaluating INCA033989 as a monotherapy and in combination with ruxolitinib in patients with mutCALR positive MF. The data demonstrated rapid and robust reductions in spleen volume and symptoms, and improvements in anemia with INCA033989 treatment, and a favorable safety profile with no dose limiting toxicities reported. Additionally, exploratory analyses from clinical studies demonstrate the potential for disease modifying activity by directly inhibiting and eliminating oncogenic mutCALR cells, while sparing healthy cells and restoring normal blood cell production in MF patients with a CALR mutation. The planned initiation of a Phase 3 trial evaluating INCA033989 in MF is anticipated in the second half of 2026.

In October 2025, we announced an agreement with Enable Injections, Inc. ("Enable") to develop for use with specific assets in our portfolio, including INCA033989, Enable's enFuse on-body delivery system. Under the terms of the agreement, we obtained a worldwide, exclusive license to use the enFuse technology with INCA033989 in ET and MF, with the potential to expand to additional assets and indications. In the first quarter of 2026, a Phase 1 study evaluating the pharmacokinetics, safety and tolerability of INCA033989 as a subcutaneous ("SC") administration in healthy adult participants was initiated and completed. A Phase 1 study evaluating INCA033989 as a SC administration in mutCALR positive patients is anticipated to initiate mid-year 2026.

INCA035784 (mutCALRxCD3 bispecific)

INCA035784 is a novel, equipotent T-cell redirecting mutCALR x CD3 bispecific antibody being evaluated for patients with mutCALR positive MPNs. Phase 1 data evaluating INCA035784 in MF and ET patients with a CALR mutation are anticipated in 2027.

INCB160058 (JAK2V617Fi)

INCB160058 is an Incyte-discovered, novel JAK2V617F mutant-specific inhibitor being evaluated in patients with MPNs harboring a JAK2V617F mutation. In the first quarter of 2026, we initiated dosing of the amorphous solid dispersion ("ASD") formulation of INCB160058 in the Phase 1 trial. Results from the Phase 1 trial evaluating INCB160058 in MPN patients with a JAK2V617F mutation are anticipated in the second half of 2026.

Axatilimab-csfr

Axatilimab is a colony stimulating factor-1 receptor (CSF-1R)-blocking antibody targeting monocytes and macrophages, reducing inflammation and fibrosis associated with chronic GVHD. A Phase 2 trial evaluating axatilimab in combination with ruxolitinib in patients with newly diagnosed chronic GVHD is ongoing, with results anticipated in the second half of 2026. A Phase 3 trial evaluating axatilimab in combination with corticosteroids as an initial treatment in patients with chronic GVHD is ongoing, with results anticipated in early 2028.

Tafasitamab

Tafasitamab is a humanized Fc-modified cytolytic CD19 targeting monoclonal antibody that is being evaluated in combination with lenalidomide added to rituximab plus chemotherapy as a first-line therapy for patients with DLBCL.

In January 2026, we announced positive topline results from the pivotal Phase 3 frontMIND trial evaluating tafasitamab and lenalidomide in combination with R-CHOP as a first-line therapy for patients with DLBCL. The trial met the primary endpoint of progression free survival by investigator assessment and also met the key secondary endpoint of event-free survival by investigator assessment. No new safety signals were observed. Additional frontMIND data will be presented at an upcoming scientific meeting. Based on these positive results, we expect to file a supplemental Biologics License Application for tafasitamab and lenalidomide in addition to R-CHOP for the first-line treatment of adult patients with newly diagnosed DLBCL in the first half of 2026.

Oncology

Our oncology franchise includes two approved products, PEMAZYRE (pemigatinib) and ZYNYZ (retifanlimab-dlwr), as well as several clinical development programs.

Approved Products

PEMAZYRE (pemigatinib)

Cholangiocarcinoma. In April 2020, the FDA approved PEMAZYRE (pemigatinib), a selective fibroblast growth factor receptor kinase inhibitor, for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with a fibroblast growth factor receptor 2 (“FGFR2”) fusion or other rearrangement as detected by an FDA-approved test. Cholangiocarcinoma is a rare cancer that arises from the cells within the bile ducts. PEMAZYRE is the first FDA-approved treatment for this indication.

In March 2021, PEMAZYRE was approved by the MHLW for the treatment of patients with unresectable biliary tract cancer with an FGFR2 fusion gene, worsening after cancer chemotherapy. Also in March 2021, PEMAZYRE was approved by the European Commission for the treatment of adults with locally advanced or metastatic cholangiocarcinoma with an FGFR2 fusion or rearrangement that has progressed after at least one prior line of systemic therapy.

In July 2021, the U.K.’s National Institute for Health and Care Excellence (“NICE”) recommended PEMAZYRE for patients with cholangiocarcinoma with an FGFR2 fusion or rearrangement that have progressed after at least one prior line of systemic therapy. NICE’s guidance enables all eligible patients in England and Wales to have access to PEMAZYRE through the National Health Service.

In March 2022, PEMAZYRE was approved by the National Medical Products Administration of the People’s Republic of China for the treatment of adults with locally advanced or metastatic cholangiocarcinoma with an FGFR2 fusion or rearrangement as confirmed by a validated diagnostic test that has progressed after at least one prior line of systemic therapy.

Myeloid/Lymphoid Neoplasms. In August 2022, PEMAZYRE was approved by the FDA as the first and only targeted treatment for myeloid/lymphoid neoplasms (“MLNs”) with a fibroblast growth factor receptor 1 (“FGFR1”) rearrangement. MLNs with FGFR1 rearrangements are a group of extremely rare but aggressive blood cancers. In March 2023, PEMAZYRE was approved by the MHLW for the treatment of MLNs with FGFR1 rearrangement.

ZYNYZ (retifanlimab-dlwr)

In October 2017, we and MacroGenics, Inc. ("MacroGenics"), announced an exclusive global collaboration and license agreement for MacroGenics' retifanlimab (formerly INCMGA0012), a humanized monoclonal antibody targeting programmed death receptor-1 ("PD-1"). Under this collaboration, we obtained exclusive worldwide rights for the development and commercialization of retifanlimab in all indications.

Merkel Cell Carcinoma. In March 2023, the FDA approved ZYNYZ (retifanlimab-dlwr) under accelerated approval for the treatment of adults with metastatic or recurrent locally advanced Merkel cell carcinoma ("MCC"). In April 2024, the European Commission approved ZYNYZ (retifanlimab) as a monotherapy for the first-line treatment of adult patients with metastatic or recurrent locally advanced MCC not amenable to curative surgery or radiation therapy.

Squamous Cell Carcinoma of the Anal Canal. In May 2025, the FDA approved ZYNYZ for the treatment of adult patients with advanced squamous cell carcinoma of the anal canal ("SCAC") in combination with chemotherapy and as a single agent. In December 2025, the MHLW approved ZYNYZ in combination with carboplatin and paclitaxel (platinum-based chemotherapy) for the first-line treatment of advanced SCAC. In March 2026, the European Commission approved ZYNYZ in combination with carboplatin and paclitaxel (platinum-based chemotherapy) for the first-line treatment of adult patients with metastatic or with inoperable locally recurrent SCAC.

Clinical Programs in Oncology

INCB123667 (CDK2)

INCB123667 is a novel, potent and selective oral small molecule inhibitor of serine threonine kinase (CDK2) in clinical development for the treatment of ovarian cancer in patients with Cyclin E1 overexpression.

In the fourth quarter of 2025, we initiated MAESTRA-1, a Phase 2 single-arm study of INCB123667 in patients with platinum-resistant ovarian cancer ("PROC") with Cyclin E1 overexpression, and MAESTRA-2, a Phase 3, randomized, open-label study of INCB123667 versus investigator's choice chemotherapy in patients with PROC with Cyclin E1 overexpression. The initiation of a Phase 3 study evaluating INCB123667 in first-line maintenance ovarian cancer is anticipated in the second half of 2026.

INCB161734 (KRAS G12D)

INCB161734 is a potent, selective and orally bioavailable KRAS G12D inhibitor that is currently being evaluated in patients with locally advanced or metastatic solid tumors with KRASG12D mutation.

Pancreatic Ductal Adenocarcinoma. In October 2025, we presented preliminary data from the ongoing Phase 1 study at the 2025 ESMO Congress. In the study, INCB161734 demonstrated a manageable safety profile and clinical efficacy in heavily pretreated pancreatic ductal adenocarcinoma ("PDAC") patients with a KRASG12D mutation. In the first quarter of 2026, a Phase 3 study (DAWN-303) was initiated, evaluating INCB161734 as a first-line treatment in patients with metastatic PDAC in combination with standard-of-care chemotherapy (mFOLFIRINOX or GEMNabP) versus chemotherapy alone. Additional data from the ongoing Phase 1 trial evaluating INCB161734 in combination with standard-of-care chemotherapy as a first-line treatment in patients with metastatic PDAC are anticipated in the second half of 2026.

INCA33890 (TGFβR2xPD-1)

INCA33890 is a TGFβR2xPD-1 bispecific antibody developed by Incyte using Merus's licensed bispecific platform to avoid the known toxicity of broad TGFβ pathway blockade by specifically blocking TGFβ signaling in cells co-expressing PD-1.

Microsatellite Stable Colorectal Cancer. In October 2025, we presented data from the ongoing Phase 1 study at the 2025 ESMO Congress. INCA33890 demonstrated clinical efficacy across multiple tumor types, including microsatellite stable colorectal cancer ("MSS CRC") in patients with and without active liver metastases. INCA33890 was generally well tolerated as monotherapy and in combination with standard-of-care treatments in patients with metastatic CRC.

In the fourth quarter of 2025, a Phase 3 study evaluating INCA33890 in combination with standard-of-care chemotherapy and bevacizumab as a first-line treatment in patients with MSS CRC was initiated. Additional data from the ongoing Phase 1 study evaluating INCA33890 in combination with bevacizumab and/or chemotherapy in patients with solid tumors is expected in the second half of 2026.

Inflammation and Autoimmunity

Our Inflammation and Autoimmunity franchise is comprised of one approved product, OPZELURA (ruxolitinib) cream, with several clinical programs in development.

Approved Products

OPZELURA (ruxolitinib) cream

Atopic Dermatitis. In September 2021, the FDA approved OPZELURA (ruxolitinib) cream for the topical short-term and non-continuous chronic treatment of mild to moderate atopic dermatitis ("AD") in non-immunocompromised patients 12 years of age and older whose disease is not adequately controlled with topical prescription therapies, or when those therapies are not advisable. AD is a skin disorder that causes long term inflammation of the skin resulting in itchy, red, swollen and cracked skin.

In September 2025, the FDA approved the supplemental New Drug Application ("NDA") for OPZELURA for the short-term and non-continuous chronic treatment of mild to moderate AD in non-immunocompromised children two years of age and older whose disease is not well controlled with topical prescription therapies, or when those therapies are not advisable.

Vitiligo. In July 2022, the FDA approved OPZELURA for the topical treatment of nonsegmental vitiligo in adult and pediatric patients 12 years of age and older. Vitiligo is a chronic autoimmune depigmenting skin disease characterized by patches of the skin losing their pigment. OPZELURA is the first and only FDA approved treatment for repigmentation of vitiligo lesions. OPZELURA was approved for continuous use and no limits to duration as a treatment for nonsegmental vitiligo.

In April 2023, the European Commission approved OPZELURA for the topical treatment of nonsegmental vitiligo with facial involvement in adults and adolescents 12 years and older following a positive opinion from the CHMP. In October 2024, OPZELURA cream 1.5% was granted a Notice of Compliance by Health Canada for the topical treatment of both mild to moderate AD and nonsegmental vitiligo in patients 12 years of age and older.

Clinical Programs in IAI

Ruxolitinib cream

Ruxolitinib cream is a potent, selective inhibitor of JAK1 and JAK2 that provides the opportunity to directly target diverse pathogenic pathways that underlie certain immune-mediated dermatologic conditions.

Atopic Dermatitis. In July 2025, we announced positive topline results from the Phase 3 (TRuE-AD4) study evaluating ruxolitinib cream in adult patients with moderate atopic dermatitis. The study met the co-primary endpoints at Week 8, with a statistically significant proportion of patients achieving both Investigator's Global Assessment Treatment Success and EASI75, which is defined as a 75% or greater improvement in the Eczema Area Severity Index score from baseline. In addition, the study met all key secondary endpoints. Ruxolitinib cream was well tolerated with no new safety signals. At the end of 2025, a Type-II variation application for the treatment of adults with moderate AD was submitted in Europe and we anticipate a potential approval in the second half of 2026.

Hidradenitis Suppurativa. In January 2024, we announced positive topline results from a randomized controlled Phase 2 study evaluating ruxolitinib cream in hidradenitis suppurativa ("HS"). Ruxolitinib 1.5% cream twice daily met the primary efficacy endpoint as measured by a change from baseline in abscess and nodule count at Week 16 versus placebo in patients with mild to moderate HS. Ruxolitinib cream was well tolerated and consistent with its known safety profile. In June 2025, two Phase 3 studies (TRuE-HS1 and TRuE-HS2) evaluating ruxolitinib cream in mild to moderate HS were initiated, with topline results anticipated in the fourth quarter of 2026.

Prurigo Nodularis. In January 2026, we received FDA feedback indicating that an additional clinical study would be required to support registration in mild to moderate prurigo nodularis ("PN"). Based on this feedback we have decided to pause further development of ruxolitinib cream in PN at this time.

Povorcitinib

Povorcitinib, an oral small molecule selective JAK1 inhibitor, is being evaluated for the treatment of HS, nonsegmental vitiligo, PN and asthma.

Hidradenitis Suppurativa. In March 2025, we shared positive results from two Phase 3 studies (STOP-HS1 and STOP-HS2) evaluating povorcitinib in patients with moderate to severe HS. Both studies met their primary endpoint of Hidradenitis Suppurativa Clinical Response ("HiSCR") at Week 12 and at both tested doses (45mg and 75mg). In addition, at Week 12, patients treated with povorcitinib achieved deep levels of clinical response with a greater proportion achieving HiSCR75, reduction in flares, and a greater than 3-point decrease in the Skin Pain NRS score and Skin Pain NRS30. Furthermore, povorcitinib demonstrated rapid onset of response, including rapid skin pain reduction.

We submitted an MAA for povorcitinib to the EMA at the end of 2025 and we anticipate a potential approval in late 2026. The NDA submission for povorcitinib in HS was accepted by the FDA in the first quarter of 2026 and we anticipate a potential approval in the U.S. by the first quarter of 2027.

Nonsegmental Vitiligo. In March and October 2023, we presented results from the Phase 2b clinical study evaluating povorcitinib in patients with extensive nonsegmental vitiligo. The results demonstrated that treatment with oral povorcitinib was associated with substantial total body and facial repigmentation, as measured by Total Vitiligo Area Scoring Index. Based on these results, two Phase 3 studies (STOP-V1 and STOP-V2) evaluating povorcitinib (30mg) in participants with extensive nonsegmental vitiligo were initiated in late 2023. In April 2026, we announced positive results from the Phase 3 program. In both STOP-V1 and STOP-V2, povorcitinib achieved the primary endpoint of $\geq$75% reduction in Facial Vitiligo Area Scoring Index from baseline at Week 52. Across both studies, statistically significant and clinically meaningful differences were also observed in key secondary endpoints, including a $\geq$50% reduction in Total Vitiligo Area Scoring Index at Week 52. The overall safety and tolerability profile of povorcitinib through 52 weeks was consistent with prior studies, with no new safety signals observed. We expect to share additional data from STOP-V1 and STOP-V2 in the second half of 2026. Positive results from these studies will support regulatory applications for povorcitinib in vitiligo which are planned for the first quarter of 2027.

Prurigo Nodularis. In October 2023, we announced that the Phase 2, randomized, double-blind, placebo-controlled, dose ranging study evaluating the efficacy and safety of povorcitinib in participants with PN had met its primary endpoint. In October 2024, following the positive Phase 2 results, two Phase 3 studies (STOP-PN1 and STOP-PN2) evaluating povorcitinib in patients with moderate to severe PN were initiated. Data from the Phase 3 studies are anticipated in the fourth quarter of 2026.

Asthma. In July 2023, we initiated a Phase 2 study evaluating povorcitinib in patients with moderate to severe uncontrolled asthma. Proof-of-concept data from this study is anticipated in the second half of 2026.

INCB00928 (zilurgisertib)

In April 2026, we entered into an agreement granting a third party worldwide commercialization rights for zilurgisertib.

Collaborative Partnered Programs

As described below under "License Agreements and Business Relationships," we are eligible for milestone payments and royalties on certain products that we license to third parties. These include OLUMIANT (baricitinib), which is licensed to our collaborative partner Eli Lilly and Company ("Lilly"), and JAKAVI (ruxolitinib) and TABRECTA (capmatinib), which are licensed to Novartis.

Baricitinib

We have a second JAK1 and JAK2 inhibitor, baricitinib, which is subject to our collaboration agreement with Lilly, in which Lilly received exclusive worldwide development and commercialization rights to the compound for inflammatory and autoimmune diseases.

Rheumatoid Arthritis. Rheumatoid arthritis is an autoimmune disease characterized by aberrant or abnormal immune mechanisms that lead to joint inflammation and swelling and, in some patients, the progressive destruction of joints. In February 2017, the European Commission approved baricitinib as OLUMIANT for the treatment of moderate-to-severe rheumatoid arthritis in adult patients who have responded inadequately to, or who are intolerant to, one or more disease-modifying antirheumatic drugs. In July 2017, the MHLW granted marketing approval for OLUMIANT for the treatment of rheumatoid arthritis (including the prevention of structural injury of joints) in patients with inadequate response to standard-of-care therapies. In June 2018, the FDA approved the 2mg dose of OLUMIANT for the treatment of adults with moderately-to-severely active rheumatoid arthritis who have had an inadequate response to one or more tumor necrosis factor inhibitor therapies.

Atopic Dermatitis. In October 2020, the European Commission approved baricitinib as OLUMIANT for the treatment of moderate-to-severe AD in adult patients who are candidates for systemic therapy. In December 2020, baricitinib was approved by the MHLW for the treatment of patients with moderate-to-severe AD.

Alopecia Areata. Alopecia areata is an autoimmune disorder in which the immune system attacks the hair follicles, causing hair loss in patches. In June 2022, the FDA approved 2mg and 4mg doses of OLUMIANT for the treatment of adults with severe alopecia areata, becoming the first and only systemic treatment in the indication. Also in June 2022, OLUMIANT was approved as a treatment for alopecia areata in Europe and Japan.

COVID-19. In May 2020, we amended our agreement with Lilly to enable Lilly to commercialize baricitinib for the treatment of COVID-19. The FDA's Emergency Use Authorization provides for the use of baricitinib for the treatment of COVID-19 in hospitalized adults and pediatric patients two years of age or older requiring supplemental oxygen, non-invasive or invasive mechanical ventilation or extracorporeal membrane oxygenation ("ECMO"). In June 2022, the FDA approved baricitinib as OLUMIANT for the treatment of COVID-19 in hospitalized adults requiring supplemental oxygen, non-invasive or invasive mechanical ventilation or ECMO.

Type 1 Diabetes. In October 2025, we amended our agreement with Lilly to enable Lilly to commercialize baricitinib for the treatment of Type 1 diabetes mellitus.

Capmatinib

Capmatinib is a potent and highly selective mesenchymal-epithelial-transition factor gene ("MET") inhibitor. Under our agreement, Novartis received worldwide exclusive development and commercialization rights to capmatinib and certain back-up compounds in all indications. Capmatinib is being evaluated in patients with hepatocellular carcinoma, non-small cell lung cancer ("NSCLC") and other solid tumors, and may have potential utility as a combination agent.

In May 2020, the FDA approved capmatinib as TABRECTA for the treatment of adult patients with metastatic NSCLC whose tumors have a mutation that leads to MET exon 14 ("METex14") skipping as detected by an FDA-approved test. TABRECTA is the first and only treatment approved to specifically target NSCLC with this driver mutation and is approved for first-line and previously treated patients regardless of prior treatment type. In June 2020, the MHLW approved TABRECTA for METex14 mutation-positive advanced and/or recurrent unresectable NSCLC. In June 2022, the European Commission approved capmatinib as TABRECTA as a monotherapy treatment of adults with advanced NSCLC harboring alterations leading to METex14 skipping who require systemic therapy following prior treatment with immunotherapy and/or platinum-based chemotherapy.

Ruxolitinib

Graft-versus-host disease. In May 2022, the European Commission approved ruxolitinib as JAKAVI for the treatment of acute or chronic GVHD in patients aged 12 years and older who have an inadequate response to corticosteroids or other systemic therapies. In August 2023, Novartis announced that JAKAVI had been approved in Japan for use in GVHD after HSCT.

License Agreements and Business Relationships

We establish business relationships, including collaborative arrangements with other companies and medical research institutions, to assist in the clinical development and/or commercialization of certain of our drugs and drug candidates and to provide support for our research programs. We also evaluate opportunities for acquiring products or rights to products and technologies that are complementary to our business from other companies and medical research institutions.

Below is a brief description of our significant business relationships and collaborations and related license agreements that expand our pipeline and provide us with certain rights to existing and potential new products and technologies. Additional information regarding our collaboration agreements, including their financial and accounting impact on our business and results of operations, can be found in Note 5 and Note 7 of Notes to the Consolidated Financial Statements.

Out-License Agreements

Novartis

In November 2009, we entered into a Collaboration and License Agreement with Novartis. Under the terms of the agreement, Novartis received exclusive development and commercialization rights outside of the United States to ruxolitinib and certain back up compounds for hematologic and oncology indications, including all hematological malignancies, solid tumors and myeloproliferative diseases. We retained exclusive development and commercialization rights to JAKAFI (ruxolitinib) in the United States and in certain other indications. Novartis also received worldwide exclusive development and commercialization rights to our MET inhibitor compound capmatinib and certain back up compounds in all indications. We retained options to co-develop and to co-promote capmatinib in the United States. In April 2016, we amended this agreement to provide that Novartis has exclusive research, development and commercialization rights outside of the United States to ruxolitinib (excluding topical formulations) in the GVHD field.

Lilly

In December 2009, we entered into a License, Development and Commercialization Agreement with Lilly. Under the terms of the agreement, Lilly received exclusive worldwide development and commercialization rights to baricitinib and certain back up compounds for inflammatory and autoimmune diseases. In March 2016, we entered into an amendment to the agreement with Lilly that allows us to engage in the development and commercialization of ruxolitinib in the GVHD field. In May 2020, we amended our agreement with Lilly to enable Lilly to commercialize baricitinib for the treatment of COVID-19 and, in October 2025, we further amended the agreement to enable Lilly to commercialize baricitinib for the treatment of Type 1 diabetes mellitus. We received an upfront payment of $100.0 million in connection with the 2025 amendment, which amendment also restructured the royalty obligations on net sales of baricitinib, certain developmental and regulatory milestones associated with baricitinib, and the marketing and sales support obligations of Lilly. On baricitinib sales for any indication, we are now eligible to receive either a fixed royalty amount or tiered royalties based on a defined level of quarterly global net sales, with the tiered royalties up to a rate in the mid-teens. Additionally, for the treatment of COVID-19, we still receive a premium on royalties.

In-License Agreements

Syndax

In September 2021, we entered into a Collaboration and License Agreement with Syndax covering the worldwide development and commercialization of NIKTIMVO (axatilimab-csfr), Syndax's anti-CSF-1R monoclonal antibody. Under the terms of this agreement, we received exclusive commercialization rights to axatilimab outside of the United States, and co-commercialization rights in the United States.

Other Collaborators

We have also entered into certain agreements with other collaboration partners for the rights to develop and commercialize other assets in our pipeline.

Critical Accounting Policies and Significant Estimates

The preparation of financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form our basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions or conditions.

For a discussion of our critical accounting policies, refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no significant changes to our critical accounting policies or estimates during the three months ended March 31, 2026.

Recent Accounting Pronouncements and Regulatory Updates

For a discussion of recently issued accounting standards, refer to Note 2 in the Notes to the Condensed Consolidated Financial Statements.

Results of Operations

We recorded net income of $303.3 million and basic net income per share of $1.52 and diluted net income per share of $1.47 for the three months ended March 31, 2026, as compared to net income of $158.2 million and basic net income per share of $0.82 and diluted net income per share of $0.80 in the corresponding period in 2025.

Revenues

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
JAKAFI net sales	$ 757.8	$ 709.4
OPZELURA net sales	143.0	118.7
ICLUSIG net sales	35.5	29.5
PEMAZYRE net sales	22.5	18.4
MINJUVI/MONJUVI net sales	49.2	29.6
NIKTIMVO net sales	55.1	13.6
ZYNYZ net sales	41.4	3.1
Total net sales	1,104.5	922.3
JAKAVI product royalty revenues	105.6	92.1
OLUMIANT product royalty revenues	36.4	30.8
TABRECTA product royalty revenues	6.0	6.4
Other product royalty revenues	3.2	1.3
Total product royalty revenues	151.2	130.6
Milestone and contract revenues	17.0	—
Total revenues	$ 1,272.7	$ 1,052.9

The increase in JAKAFI for the three months ended March 31, 2026 as compared to the corresponding period in 2025 was primarily driven by a 6% increase in paid demand and growth across all indications. JAKAFI inventory levels were within normal range at the end of the first quarter of 2026.

The increase in OPZELURA net sales for the three months ended March 31, 2026 as compared to the corresponding period in 2025 was primarily due to increased patient demand in the U.S. in both atopic dermatitis and vitiligo. Additionally, $36.7 million of net sales during the first quarter of 2026 were from outside of the U.S. as compared with $23.5 million during the first quarter of 2025, with the increase driven by continued uptake in Canada and Italy. OPZELURA inventory levels were within normal range at the end of the first quarter of 2026.

The increase in other hematology and oncology net sales for the three months ended March 31, 2026 as compared to the corresponding period in 2025 was primarily driven by increased demand of NIKTIMVO, MONJUVI/MINJUVI and ZYNYZ.

The increase in total royalty revenues for the three months ended March 31, 2026 as compared to the corresponding period in 2025 was primarily driven by growth in JAKAVI royalty revenue.

Our net sales may fluctuate from quarter to quarter due to our customers' purchasing patterns over the course of the year, including as a result of increased inventory building by customers in advance of expected or announced price increases. Net sales are recorded net of estimated product returns, pricing discounts including rebates offered pursuant to mandatory federal and state government programs and chargebacks, prompt pay discounts and distribution fees and co-pay assistance. Our revenue recognition policies require estimates of the aforementioned sales allowances each period.

The following table provides a summary of activity with respect to our sales allowances and accruals (in thousands):

Three Months Ended March 31, 2026	Discounts and Distribution Fees	Commercial & Government Rebates and Chargebacks	Co-Pay Assistance and Other Discounts	Product Returns	Total
Balance at January 1, 2026	$ 38,780	$ 562,167	$ 14,189	$ 30,955	$ 646,091
Allowances for current period sales	61,737	557,600	65,726	6,369	691,432
Allowances for prior period sales	(38)	(57,938)	(38)	—	(58,014)
Credits/payments for current period sales	(55,077)	(301,473)	(54,900)	—	(411,450)
Credits/payments for prior period sales	(6,846)	(119,788)	(6,846)	(4,485)	(137,965)
Balance at March 31, 2026	$ 38,556	$ 640,568	$ 18,131	$ 32,839	$ 730,094

U.S. government rebates and chargebacks are the most significant component of our sales allowances. Increases in certain U.S. government reimbursement rates are limited to a measure of inflation, and when the price of a drug increases faster than this measure of inflation it will result in a penalty adjustment factor that causes a larger sales allowance to those government related entities. We expect government rebates and chargebacks as a percentage of our gross product sales will continue to increase in connection with any future product price increases greater than the rate of inflation, and any such increase in these government rebates and chargebacks will have a negative impact on our reported net sales. We adjust our estimates for government rebates and chargebacks based on new information regarding actual rebates as it becomes available.

We brought a lawsuit against the U.S. Centers for Medicare and Medicaid Services ("CMS") alleging that a regulation issued by CMS on the definition of "line extension" for purposes of the Medicaid rebate program is too broad and has the unintended consequence of treating OPZELURA as a "line extension" of JAKAFI under this program. We believe that such a reading would violate CMS's statutory authority and be arbitrary and capricious given that OPZELURA, among other differentiators, is indicated to treat entirely different medical conditions and entirely different patient populations than JAKAFI. As of March 31, 2026, we have accrued approximately $245.9 million within accrued and other current liabilities on the condensed consolidated balance sheet, relating to the incremental rebates that would be owed were OPZELURA considered a line extension of JAKAFI. The impact on OPZELURA gross to net deductions for the quarter ending March 31, 2026 is approximately 8.4%. If OPZELURA is not treated as a line extension of JAKAFI, this would result in a reversal of our accrual and a lower future gross to net deduction for OPZELURA.

Claims by third-party payors for rebates and chargebacks are frequently submitted after the period in which the related sales occurred, which may result in adjustments to prior period accrual balances in the period in which the new information becomes available. Our company-sponsored patient savings program in which we provide financial assistance to enable commercially-insured patients to afford their insurance premium and co-pays may fluctuate as the commercial insurance landscape evolves and may impact net sales, particularly for drugs like OPZELURA. We also adjust our allowance for product returns based on new information regarding actual returns as it becomes available.

We expect our sales allowances to fluctuate from quarter to quarter as a result of the volume of purchases eligible for government mandated discounts and rebates as well as changes in discount percentages which are impacted by potential future price increases, rate of inflation, and other factors.

Product royalty revenues on commercial sales of JAKAVI and TABRECTA by Novartis are based on net sales of licensed products in licensed territories as provided by Novartis. Product royalty revenues on commercial sales of OLUMIANT by Lilly are based on net sales of licensed products in licensed territories as provided by Lilly.

Our milestone and contract revenues for the three months ended March 31, 2026 were primarily derived from developmental milestones received from our third party collaborators.

Cost of Sales

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Product costs	$ 41.0	$ 27.4
Salary and benefits related	9.2	5.2
Stock compensation	0.9	0.9
Royalty expense	32.1	33.7
Profit share	14.4	—
Amortization of definite-lived intangible assets	6.9	6.0
Total cost of sales	$ 104.5	$ 73.2

Cost of sales includes all product related costs, reserves for obsolescence, employee personnel costs, including stock compensation, for those employees dedicated to the production of our commercial products, royalties and profit sharing under our collaborative agreements and amortization of our licensed intellectual property rights for ICLUSIG and capitalized milestone payments. The increase in cost of sales for the three months ended March 31, 2026 as compared to the corresponding period in 2025 was driven by primarily driven by growth in net sales, NIKTIMVO profit share and increased manufacturing related costs.

Operating Expenses

Research and development expenses

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Salary and benefits related	$ 154.3	$ 132.5
Stock compensation	39.2	36.7
Clinical research and outside services	293.8	229.4
Occupancy and all other costs	28.6	38.7
Total research and development expenses	$ 515.9	$ 437.3

We account for research and development costs by natural expense line and not costs by project. The increase in salary and benefits related expense for the three months ended March 31, 2026 as compared to the corresponding period in 2025 was due primarily to increased headcount to sustain our development pipeline. Stock compensation expense may fluctuate from period to period based on the number of awards granted, stock price volatility and expected award lives, as well as expected award forfeiture rates which are used to value equity-based compensation.

The increase in clinical research and outside services expense for the three months ended March 31, 2026 as compared to the corresponding period in 2025, was primarily due to continued investment in our late-stage development assets. Research and development expenses include upfront and milestone expenses related to our collaborative agreements of $12.6 million and $15.5 million, respectively, for the three months ended March 31, 2026 and 2025. Research and development expenses for the three months ended March 31, 2026 and 2025 were net of $4.4 million and $2.6 million, respectively, of costs reimbursed by our collaborative partners.

In addition to one-time expenses resulting from upfront fees in connection with the entry into any new or amended collaboration agreements and payment of milestones under those agreements, research and development expenses may fluctuate from period to period depending upon the stage of certain projects and the level of preclinical and clinical trial related activities. Many factors can affect the cost and timing of our clinical trials, including requests by regulatory agencies for more information, inconclusive results requiring additional clinical trials, slow patient enrollment, adverse side effects among patients, insufficient supplies for our clinical trials, timing of drug supply, including API, and real or perceived lack of effectiveness or safety of our investigational drugs in our clinical trials. In addition, the development of all of our products will be subject to extensive governmental regulation. These factors make it difficult for us to predict the timing and costs of the further development and approval of our products.

Selling, general and administrative expenses

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Salary and benefits related	$ 108.7	$ 97.8
Stock compensation	24.0	23.4
Other contract services and outside costs	195.4	204.5
Total selling, general and administrative expenses	$ 328.1	$ 325.7

The increase in salary and benefits related expense for the three months ended March 31, 2026 as compared to the corresponding period in 2025 was due primarily to increased headcount. Stock compensation expense may fluctuate from period to period based on the number of awards granted, stock price volatility and expected award lives, as well as expected award forfeiture rates which are used to value equity-based compensation.

Asset impairment and related disposal costs

As described further in Note 8 of Notes to the Condensed Consolidated Financial Statements, during December 2025, the downtown Wilmington, Delaware properties that we acquired in May 2024 met the criteria to be classified as assets held for sale. As a result of this classification, we recorded an asset impairment charge of $76.3 million on our consolidated statement of operations for the year ended December 31, 2025 relating to the downtown Wilmington properties in order to reflect the properties at the lower of their carrying amount or estimated fair value less cost to sell as of December 31, 2025. The estimated fair value less cost to sell of the properties was recorded within the Prepaid expenses and other current assets line item on our consolidated balance sheet as of December 31, 2025. During the three months ended March 31, 2026, we sold these downtown properties, and recognized an additional $23.2 million of expenses relating to disposal costs, which are included in Asset impairment and related disposal costs in the condensed consolidated statements of operations.

(Gain) loss on change in fair value of acquisition-related contingent consideration

Acquisition-related contingent consideration, which consists of our future royalty obligations to ARIAD/Takeda, was recorded on the acquisition date, June 1, 2016, at the estimated fair value of the obligation, in accordance with the acquisition method of accounting. The change in fair value of the acquisition-related contingent consideration for the three months ended March 31, 2026 and March 31, 2025 was a gain of $0.2 million and loss of $11.6 million, respectively, which is recorded in (gain) loss on change in fair value of acquisition-related contingent consideration on the condensed consolidated statements of operations. The change in fair value of the contingent consideration during the three months ended March 31, 2026 and 2025 was due primarily to updated projections of future net sales and related royalties of Iclusig, including the impacts from fluctuations in foreign currency exchange rates, and the passage of time.

Non-operating Income and Expenses

Interest income

Interest income for the three months ended March 31, 2026 and 2025 was $33.7 million and $22.9 million, respectively. The increase in Interest income for the three months ended March 31, 2026 is primarily due to higher cash and cash equivalent balances in the first quarter of 2026 as compared to the corresponding period in 2025.

Gain (loss) on equity investments

Gains and losses on equity investments will fluctuate from period to period, based on sales of securities and the change in fair value of the securities we hold in our publicly held collaboration partners. The following table provides a summary of those gains (losses):

	Three Months Ended March 31,	
	2026	2025
	(in millions)	
Syndax	$ 3.3	$ (1.3)
Prelude	3.3	—
Total gain (loss) on equity investments	$ 6.6	$ (1.3)

Provision for income taxes

The provision for income taxes for the three months ended March 31, 2026 and 2025 was $40.3 million and $76.0 million, respectively.

Our effective tax rate for the three months ended March 31, 2026 is lower than the U.S. statutory rate primarily due to favorable changes in unrecognized tax benefits, tax benefits associated with the generation of tax credits and favorable foreign tax effects. This is partially offset by a net increase in valuation allowances against certain U.S. federal and state deferred tax assets. Our effective tax rate for the three months ended March 31, 2025 was higher than the U.S. statutory rate primarily due to an unfavorable change in our valuation allowances against certain U.S. federal and state deferred tax assets and unfavorable foreign tax effects. This was partially offset by tax benefits associated with the generation of tax credits and favorable effects of cross-border tax laws.

Liquidity and Capital Resources

At March 31, 2026, we had available cash, cash equivalents and marketable securities of $4.0 billion. Our cash and marketable securities balances are primarily held in a variety of interest-bearing instruments, including money market accounts and U.S. government debt securities. Available cash is invested in accordance with our investment policy's primary objectives of liquidity, safety of principal and diversity of investments.

Net cash provided by operating activities for the three months ended March 31, 2026 and 2025 was $369.4 million and $266.1 million, respectively. The increase in cash provided by operating activities was due primarily to the increased net income for the 2026 period.

Our investing activities, other than purchases and maturities of marketable securities, have consisted predominantly of capital expenditures. Net cash used in investing activities was $88.2 million for the three months ended March 31, 2026, which primarily represented purchases of marketable securities of $142.7 million, offset in part by maturities of marketable securities of $69.7 million. Net cash provided by investing activities was $1.1 million for the three months ended March 31, 2025, which primarily represented by maturities of marketable securities of $45.5 million, offset in part by purchases of marketable securities of $41.2 million. In the future, net cash used by investing activities may fluctuate significantly from period to period due to the timing of strategic equity investments, acquisitions, and capital expenditures and maturities/sales and purchases of marketable securities.

Net cash provided by financing activities was $84.8 million for the three months ended March 31, 2026, primarily representing proceeds from issuance of common stock under our stock plans. Net cash used in financing activities was $12.7 million for the three months ended March 31, 2025, primarily representing cash paid to ARIAD/Takeda for contingent consideration and cash paid for tax withholdings related to restricted and performance share vesting.

In August 2021, we entered into a $500.0 million, senior unsecured revolving credit facility, which was subsequently amended in May 2023 and June 2024 (as amended, the "Credit Agreement"). The June 2024 amendment to the Credit Agreement extended the maturity date of the revolving credit facility from August 2024 to June 2027. We may increase the maximum revolving commitments or add one or more incremental term loan facilities, subject to obtaining commitments from any participating lenders and certain other conditions, in an amount not to exceed $250.0 million plus a contingent additional amount that is dependent on our pro forma consolidated leverage ratio. As of March 31, 2026, we had no outstanding borrowings and were in compliance with all covenants under this facility. The Credit Agreement is described further in Note 15 of Notes to the Condensed Consolidated Financial Statements.

The enactment of the One Big Beautiful Bill Act in July 2025 modified key provisions of the Tax Cuts and Jobs Act of 2017. The change related to the expensing of domestic research costs materially reduced our U.S. tax liabilities in 2025 and we expect a similar impact in 2026. We intend to continue to evaluate the impacts of these provisions for our tax return filing.

We believe that our cash flow from operations, together with our cash, cash equivalents and marketable securities and funds available under our revolving credit facility, will be adequate to satisfy our capital needs for the foreseeable future. Our cash requirements depend on numerous factors, including our expenditures in connection with our drug discovery and development programs and commercialization operations; expenditures in connection with litigation or other legal proceedings; costs for future facility requirements; and expenditures for future strategic equity investments or potential acquisitions. We have entered into and may in the future seek to license additional rights relating to technologies or drug development candidates in connection with our drug discovery and development programs. Under these licenses, we may be required to pay upfront fees, milestone payments, and royalties on sales of future products. These contingent future payments are discussed in detail in Note 7 of Notes to the Condensed Consolidated Financial Statements.

To the extent we seek to augment our existing cash resources and cash flow from operations to satisfy our cash requirements for future acquisitions or other strategic purposes, we expect that additional funding can be obtained through equity or debt financings or from other sources. The sale of equity or convertible debt securities in the future may be dilutive to our stockholders, and may provide for rights, preferences or privileges senior to those of our holders of common stock. Debt financing arrangements may require us to pledge certain assets or enter into covenants that could restrict our operations or our ability to incur further indebtedness.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our investments in marketable securities, which are composed primarily of U.S. government debt securities, are subject to default, changes in credit rating and changes in market value. These investments are also subject to interest rate risk and will decrease in value if market interest rates increase. As of March 31, 2026, marketable securities were $554.7 million. Due to the nature of these investments, if market interest rates were to increase immediately and uniformly by 10% from levels as of March 31, 2026, the decline in fair value would not be material.

To the extent that we continue to hold strategic equity investments in publicly traded companies, we expect that due to the volatility of the stock price of biotechnology companies, our (gain) loss on equity investments will fluctuate in future periods based on increases or decreases in the fair value of our strategic equity investments.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Principal Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal control over financial reporting. There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for the three months ended March 31, 2026, that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

The information called for by this item is incorporated herein by reference to the information set forth in Note 15 to our Condensed Consolidated Financial Statements included in this report.

Item 1A. Risk Factors

RISKS RELATING TO COMMERCIALIZATION OF OUR PRODUCTS

We depend heavily on our lead product, JAKAFI (ruxolitinib), which is marketed as JAKAVI outside the United States. If we are unable to maintain revenues from JAKAFI/JAKAVI or those revenues decrease, our business may be materially harmed.

JAKAFI is the first product marketed by us to be approved for sale in the United States. While we also sell our and our licensors' other approved products ICLUSIG, PEMAZYRE, MONJUVI/MINJUVI, OPZELURA, ZYNYZ and NIKTIMVO and our exclusive licensees sell OLUMIANT and TABRECTA, we anticipate that JAKAFI product sales will continue to contribute a significant percentage of our total revenues over the next several years. However, we expect that JAKAFI product sales will begin to decline upon the expiration of our patent exclusivity in 2028.

The continued commercial success of JAKAFI and our ability to maintain and continue to increase revenues from the sale of JAKAFI will depend on a number of factors, including:

- the number of patients diagnosed with intermediate or high-risk myelofibrosis, uncontrolled polycythemia vera or steroid-refractory graft-versus-host disease and the number of such patients that may be treated with JAKAFI;
- the acceptance of JAKAFI by patients and the healthcare community;
- whether physicians, patients and healthcare payors view JAKAFI as therapeutically effective and safe relative to cost and any alternative therapies, as well as whether patients will continue to use JAKAFI;
- the ability to obtain and maintain sufficient coverage or reimbursement by third-party payors and pricing;
- the ability of our third-party manufacturers to manufacture JAKAFI in sufficient quantities that meet all applicable quality standards;
- the ability of our company and our third-party providers to provide marketing and distribution support for JAKAFI;
- the label and promotional claims allowed by the U.S. Food and Drug Administration (FDA);
- the maintenance of regulatory approval for the approved indications in the United States;
- our ability to develop, obtain regulatory approval for and commercialize JAKAFI in the United States for additional indications or in combination with other therapeutic modalities; and
- the effects of a public health pandemic or epidemic such as the COVID-19 pandemic or of adverse geopolitical events, regulatory, legislative or administrative developments.

If we are not able to maintain revenues from JAKAFI in the United States, or our revenues from JAKAFI decrease, our business may be materially harmed and we may need to delay other drug discovery, development and commercialization initiatives or even significantly curtail operations, and our ability to license or acquire new products to diversify our revenue base could be limited.

In addition, revenues from our other products and our receipt of royalties under our collaboration agreements, including our agreements with Novartis Pharmaceutical International Ltd. for sales of JAKAVI outside the United States and TABRECTA globally and with Eli Lilly and Company for worldwide sales of OLUMIANT, will depend on factors similar to those listed above, with similar regulatory, pricing and reimbursement issues driven by applicable regulatory authorities and governmental and third-party payors affecting jurisdictions outside the United States.

If we are unable to obtain, or maintain at anticipated levels, coverage and reimbursement for our products from government health administration authorities, private health insurers and other organizations, our pricing may be affected and our product sales, results of operations and financial condition could be harmed.

Our ability to commercialize our current and any future approved products successfully will depend in part on the prices we are able to charge for these products and the extent to which adequate coverage and reimbursement levels for the cost of our products and related treatment are obtained from third-party payors, such as private insurers, government insurance programs, including Medicare and Medicaid, health maintenance organizations and other healthcare related organizations in the United States and abroad. We may not be able to sell our products on a profitable basis or our profitability may be reduced if we are required to sell our products at lower than anticipated prices or reimbursement is unavailable or limited in scope or amount. The costs of the drug products marketed by us are not insignificant and almost all patients will require some form of third-party coverage to afford their cost. Our future revenues and profitability will be adversely affected if we cannot depend on government and other third-party payors to defray the cost of our products to the patient.

Governments and other third-party payors continue to pursue initiatives to manage drug costs. Pricing and reimbursement for our products may be adversely affected by a number of factors, including;

- actions of federal, state and foreign governments and other third-party payors to implement or modify laws, regulations or policies addressing payment and reimbursement for drugs;
- pressure by employers on private health insurance plans to reduce costs or moderate cost increases, as well as continued public scrutiny of the price of drugs and other healthcare costs;
- consolidation of third-party payors and continued initiatives of government and other third-party payors to reduce costs by seeking price discounts or rebates, reducing reimbursement rates or imposing restrictions on access to or coverage of particular drugs based on perceived value;
- pressure on healthcare budgets resulting from macroeconomic factors such as inflation, rising interest rates and the economic effects of geopolitical conflicts; and
- the increasing number of hospitals and other covered entities that are eligible to participate in the U.S. 340B drug pricing program, which requires drug manufacturers such as our company to sell drugs to those entities at discounted prices in order for those drugs to be covered by Medicaid.

In many markets outside of the United States, including countries of the European Union (EU), drug pricing and reimbursement are subject to government control, and government authorities are making greater efforts to limit or regulate the price of drug products. Reimbursement systems in international markets vary significantly by country and by region, and reimbursement approvals must be obtained on a country-by-country basis. Reimbursement in the EU must be negotiated on a country-by-country basis and in many countries a drug product cannot be commercially launched until reimbursement is approved. The timing to complete the negotiation process in each country is highly uncertain, and in some countries, we expect that it may exceed 12 months. Some countries set prices by reference to prices in other countries, and countries may refuse to reimburse or may restrict the reimbursed population for a drug product based on their national health technology assessments and cost effectiveness thresholds. In addition, governmental authorities in many countries may reduce prices for approved drug products from previously established prices.

Third-party payors are increasingly challenging the prices charged for medical products and services, and payors and employers are adopting benefit plan changes that shift a greater portion of prescription drug costs to patients. Third party pharmacy benefit managers (PBMs), other similar organizations and payors can limit coverage to specific products on an approved list, or formulary, which might not include all of the approved products for a particular indication, and to exclude drugs from their formularies in favor of competitor drugs or alternative treatments, or place drugs on formulary tiers with higher patient co-pay obligations, and/or to mandate stricter utilization criteria. Formulary exclusion effectively encourages patients and providers to seek alternative treatments, make a complex and time-intensive request for medical exemptions, or pay 100% of the cost of a drug. In addition, in many instances, certain PBMs, other similar organizations and third party payors may exert negotiating leverage by requiring incremental rebates, discounts or other concessions from manufacturers in order to maintain formulary positions, which could continue to result in higher gross to net deductions for affected products. There has been significant consolidation in the health insurance industry, resulting in large insurers and PBMs exerting greater pressure and leverage in pricing and usage negotiations with drug manufacturers. Payors could

decide to exclude our products from formulary coverage lists, impose step edits that require patients to try alternative, including generic, treatments before authorizing payment for our products, limit the types of diagnoses for which coverage will be provided or impose a moratorium on coverage for products while the payor makes a coverage decision. An inability to maintain adequate formulary positions could increase patient cost-sharing for our products and cause some patients to determine not to use our products. Any delays or unforeseen difficulties in reimbursement approvals could limit patient access, depress therapy adherence rates, and adversely impact our ability to successfully commercialize our products. If we are unsuccessful in obtaining and maintaining broad coverage and reimbursement for our products, our anticipated revenue from and growth prospects for our products could be negatively affected.

If third parties institute high co-payment amounts or other benefit limits for our products, the demand for our products and, accordingly, our revenues and results of operations, could be adversely affected. Our patient assistance programs have provided support for non-profit organizations that provide financial assistance to eligible patients or in some cases, we have provided our products without charge to eligible patients who have no insurance coverage or are underinsured. Substantial support in this manner could harm our profitability in the future. Further, the ability of non-profit organizations to provide assistance to patients is dependent on funding from external sources, and we cannot guarantee that such funding will be provided at adequate levels, or at all.

Risks related to proposed changes in government regulations and healthcare reform measures are described below under "Other Risks Relating to our Business—Healthcare reform measures could impact the pricing and profitability of pharmaceuticals, and adversely affect the commercial viability of our or our collaborators' products and drug candidates. If recent proposals for changes to Medicare and Medicaid reimbursement of drug prices are adopted into law, our results of operations and financial condition could be harmed." If government and other third-party payors refuse to provide coverage and reimbursement with respect to our products, determine to provide a lower level of coverage and reimbursement than anticipated, reduce previously approved levels of coverage and reimbursement, or delay reimbursement payments, then our pricing or reimbursement for our products may be affected and our product sales, results of operations or financial condition could be harmed. Our collaborators Novartis and Lilly are affected by similar considerations for the drugs that they market and for which we may receive royalties.

We depend upon a limited number of specialty pharmacies and wholesalers for a significant portion of any revenues from JAKAFI and most of our other drug products, and the loss of, or significant reduction in sales to, any one of these specialty pharmacies or wholesalers could adversely affect our operations and financial condition.

We sell JAKAFI and our other drug products other than OPZELURA primarily to specialty pharmacies and wholesalers. Specialty pharmacies dispense JAKAFI and our other drug products to patients in fulfillment of prescriptions and wholesalers sell JAKAFI and our other drug products to hospitals and physician offices. We do not promote JAKAFI or our other drug products to specialty pharmacies or wholesalers, and they do not set or determine demand for JAKAFI or our other drug products. Our ability to successfully commercialize JAKAFI and our other drug products will depend, in part, on the extent to which we are able to provide adequate distribution of JAKAFI and our other drug products to patients. Although we have contracted with a number of specialty pharmacies and wholesalers, they are expected generally to carry a very limited inventory and may be reluctant to be part of our distribution network in the future if demand for our products does not increase. Further, it is possible that these specialty pharmacies and wholesalers could decide to change their policies or fees, or both, at some time in the future. This could result in their refusal to carry smaller volume products such as JAKAFI and our other drug products, or lower margins or the need to find alternative methods of distributing our product. Although we believe we can find alternative channels to distribute JAKAFI or our other drug products on relatively short notice, our revenue during that period of time may suffer and we may incur additional costs to replace any such specialty pharmacy or wholesaler. The loss of any large specialty pharmacy or wholesaler as part of our distribution network, a significant reduction in sales we make to specialty pharmacies or wholesalers, or any failure to pay for the products we have shipped to them could materially and adversely affect our results of operations and financial condition.

If we are unable to establish and maintain effective sales, marketing and distribution capabilities, or to enter into agreements with third parties to do so, we will not be able to successfully commercialize our products.

We have established commercial capabilities in the United States and outside of the United States, but cannot guarantee that we will be able to enter into and maintain any marketing, distribution or third-party logistics agreements with third-party providers on acceptable terms, if at all. We may not be able to correctly judge the size and experience of the sales and marketing force and the scale of distribution capabilities necessary to successfully market and sell any new products. Establishing and maintaining sales, marketing and distribution capabilities are expensive and time-consuming. Competition for personnel with experience in sales and marketing can be high. Our expenses associated with building and maintaining the sales force and distribution capabilities may be disproportional compared to the revenues we may be able to generate on sales of our products.

We are continuing to establish and maintain sales, marketing and distribution capabilities for our products. Successful commercialization of our drug candidates requires us to establish new physician and payor relationships, PBM and pharmacy network relationships, reimbursement strategies and governmental interactions, separate from our existing capabilities. Our inability to successfully commercialize our products could harm our business and operating results.

If we fail to comply with applicable laws and regulations, we could lose our approval to market our products or be subject to other governmental enforcement activity, and we could face increased costs, penalties and a loss of business.

We cannot guarantee that we will be able to maintain regulatory approval to market our products in the jurisdictions in which they are currently marketed. If we do not maintain our regulatory approval to market our products, our results of operations will be materially harmed. We and our collaborators, third-party manufacturers and suppliers are subject to rigorous and extensive regulation by the FDA and other federal and state agencies as well as foreign governmental agencies. These regulations continue to apply after product marketing approval, and cover, among other things, testing, manufacturing, quality control and assurance, labeling, advertising, promotion, risk mitigation, and adverse event reporting requirements.

The commercialization of our products is subject to post-regulatory approval product surveillance, and our products may have to be withdrawn from the market or subject to restrictions if previously unknown problems occur. Regulatory agencies may also require additional clinical trials or testing for our products, and our products may be recalled or may be subject to reformulation, additional studies, changes in labeling, warnings to the public and negative publicity. For example, from late 2013 through 2014, ICLUSIG was subject to review by the European Medicines Agency (“EMA”), of the benefits and risks of ICLUSIG to better understand the nature, frequency and severity of events obstructing the arteries or veins, the potential mechanism that leads to these side effects and whether there needed to be a revision in the dosing recommendation, patient monitoring and a risk management plan for ICLUSIG. This review was completed in January 2015, with additional warnings in the product information but without any change in the approved indications. The EMA could take additional actions in the future that reduce the commercial potential of ICLUSIG. In addition, in September 2021, the FDA updated labeling for JAKAFI and other JAK inhibitor drugs to include warnings of increased risk of major adverse cardiovascular events, thrombosis, and secondary malignancies related to another JAK-inhibitor treating rheumatoid arthritis, a condition for which JAKAFI is not indicated. As part of the FDA labeling update for oral JAK inhibitors in treating inflammatory conditions, class “boxed” warnings were also included in the OPZELURA label. It is possible that future sales of JAKAFI and OPZELURA could be negatively affected as a result of the “boxed” warnings, which could have a material and adverse effect on our business, results of operations and prospects.

Failure to comply with the laws and regulations administered by the FDA or other agencies could result in:

- administrative and judicial sanctions, including warning letters;
- fines and other civil penalties;
- suspension or withdrawal of regulatory approval to market or manufacture our products;
- interruption of production;
- operating restrictions;
- product recall or seizure;

- injunctions; and
- criminal prosecution.

The occurrence of any such event may have a material adverse effect on our business.

Furthermore, disruptions at the FDA and other regulatory agencies could prevent those agencies from performing normal business functions on which the operation of our business relies, which could negatively impact our business.

If the use of our products harms patients, or is perceived to harm patients even when such harm is unrelated to our products, our regulatory approvals could be revoked or otherwise negatively impacted or we could be subject to costly and damaging product liability claims.

The testing, manufacturing, marketing and sale of our products could expose us to product liability and other risks. Side effects and other problems experienced by patients from the use of our products could:

- lessen the frequency with which physicians decide to prescribe our products;
- encourage physicians to stop prescribing our products to their patients who previously had been prescribed our products;
- cause serious harm to patients that may give rise to product liability claims against us; and
- result in our need to withdraw or recall our products from the marketplace.

If our products are used by a wide patient population, new risks and side effects may be discovered, the rate of known risks or side effects may increase, and risks previously viewed as less significant could be determined to be significant.

Previously unknown risks and adverse effects of our products may also be discovered in connection with unapproved, or off-label, uses of our products. We are prohibited by law from promoting or in any way supporting or encouraging the promotion of our products for off-label uses, but physicians are permitted to use products for off-label purposes. In addition, we are studying and expect to continue to study our approved products in diseases for potential additional indications in controlled clinical settings, and independent investigators are doing so as well. In the event of any new risks or adverse effects discovered as new patients are treated and as our products are studied in or used by patients for off-label indications, regulatory authorities may delay or revoke their approvals, we may be required to conduct additional clinical trials, make changes in labeling of our products, reformulate our products or make changes and obtain new approvals. We may also experience a significant drop in the sales of our products, experience harm to our reputation and the reputation of our products in the marketplace or become subject to lawsuits, including class actions. Any of these results could decrease or prevent sales of our products or substantially increase the costs and expenses of commercializing our products.

Patients who have been enrolled in our clinical trials or who may use our products in the future often have severe and advanced stages of disease and known as well as unknown significant pre-existing and potentially life-threatening health risks. During the course of treatment, patients may suffer adverse events, including death, for reasons that may or may not be related to our products. Such events could subject us to costly litigation, require us to pay substantial amounts of money to injured patients, delay, negatively impact or end our opportunity to receive or maintain regulatory approval to market our products, or require us to suspend or abandon our commercialization efforts. Even in a circumstance in which we do not believe that an adverse event is related to our products, the investigation into the circumstance may be time consuming or inconclusive. These investigations may interrupt our sales efforts, impact and limit the type of regulatory approvals our products receive or maintain, or delay the regulatory approval process in other countries.

Factors similar to those listed above also apply to our collaborators in the jurisdictions in which they have development and commercialization rights.

If we market our products in a manner that violates various laws and regulations, we may be subject to civil or criminal penalties.

In addition to FDA and related regulatory requirements, we are subject to healthcare "fraud and abuse" laws, such as the federal False Claims Act, the anti-kickback provisions of the federal Social Security Act, and other state and federal laws and regulations. Federal and state anti-kickback laws prohibit, among other things, knowingly and willfully offering, paying, soliciting or receiving remuneration to induce, or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any healthcare item or service reimbursable under Medicare, Medicaid, or other federally- or state-financed healthcare programs. Federal false claims laws prohibit any person from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. Pharmaceutical companies have been prosecuted under these laws for a variety of alleged promotional and marketing activities.

Although physicians are permitted, based on their medical judgment, to prescribe products for indications other than those approved by the FDA, manufacturers are prohibited from promoting their products for such off-label uses. Although we believe that our promotional materials for physicians do not constitute improper promotion, the FDA or other agencies may disagree. If the FDA or another agency determines that our promotional materials or other activities constitute improper promotion, it could request that we modify our promotional materials or other activities or subject us to regulatory enforcement actions, including the issuance of a warning letter, injunction, seizure, civil fine and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they believe that the alleged improper promotion led to the submission and payment of claims for an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. Even if it is later determined we are not in violation of these laws, we may be faced with negative publicity, incur significant expenses defending our position and have to divert significant management resources from other matters.

The EU and member countries, as well as governmental authorities in other countries, impose similar strict restrictions on the promotion and marketing of drug products. The off-label promotion of medicinal products is prohibited in the EU and in other territories, and the EU also maintains strict controls on advertising and promotional materials. The promotion of medicinal products that are not subject to a marketing authorization is also prohibited in the EU. Violations of the rules governing the promotion of medicinal products in the EU and in other territories could be penalized by administrative measures, fines and imprisonment.

The majority of states also have statutes or regulations similar to the federal anti-kickback law and false claims laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor. Numerous states and localities have enacted or are considering enacting legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports or make periodic public disclosures on sales, marketing, pricing, clinical trials, and other activities. Additionally, as part of the Patient Protection and Affordable Care Act, the U.S. federal government has enacted the Physician Payment Sunshine provisions. These provisions and similar laws and regulations in other jurisdictions where we do business require manufacturers to publicly report certain payments or other transfers of value made to physicians and teaching hospitals. Many of these requirements are new and uncertain, and the penalties for failure to comply with these requirements are unclear. Nonetheless, if we are found not to be in full compliance with these laws, we could face enforcement action and fines and other penalties, which could be significant in amount or result in exclusion from federal healthcare programs such as Medicare and Medicaid. Any action initiated against us for violation of these laws, even if we successfully defend against it, could require the expenditure of significant resources and generate negative publicity, which could harm our business and operating results, and any settlement of such action initiated against us, regardless of the merits, could result in the payment of significant amounts, which could harm our financial condition and operating results. See also "—Other Risks Relating to our Business—If we fail to comply with the extensive legal and regulatory requirements affecting the healthcare industry, we could face increased costs, penalties and a loss of business" below.

Competition for our products could harm our business and result in a decrease in our revenue.

Our products compete, and our product candidates may in the future compete, with currently existing therapies, including generic drugs, product candidates currently under development by us and others, or future product candidates, including new chemical entities that may be safer or more effective or more convenient than our products. Any products that we develop may be commercialized in competitive markets, and our competitors, which include large global pharmaceutical and biopharmaceutical companies and smaller research-based biotechnology companies, may succeed in developing products that render our products obsolete or noncompetitive. Many of our competitors, particularly large pharmaceutical and biopharmaceutical companies, have substantially greater financial, operational and human resources than we do. Smaller or earlier stage companies may also prove to be significant competitors, particularly through focused development programs and collaborative arrangements with large, established companies. In addition, many of our competitors deploy more personnel to market and sell their products than we do, and we compete with other companies to recruit, hire, train and retain pharmaceutical sales and marketing personnel. If our sales force and sales support organization are not appropriately resourced and sized to adequately promote our products, the commercial potential of our current and any future products may be diminished. In any event, the commercial potential of our current products and any future products may be reduced or eliminated if our competitors develop or acquire and commercialize generic or branded products that are safer or more effective, are more convenient or are less expensive than our products. See "Item 1. Business—Competition" in our Annual Report on Form 10-K for the year ended December 31, 2025 for additional information regarding the effects of competition. If we are unable to compete successfully, our commercial opportunities will be reduced and our business, results of operations and financial conditions may be materially harmed.

Present and potential competitors for JAKAFI include major pharmaceutical and biotechnology companies, as well as specialty pharmaceutical firms. In addition, JAKAFI could face competition from generic products. As a result of the Drug Price Competition and Patent Term Restoration Act of 1984, commonly known as the Hatch-Waxman Act, in the United States, generic manufacturers may seek approval of a generic or other version of an innovative pharmaceutical by filing with the FDA an Abbreviated New Drug Application ("ANDA") or a New Drug Application ("NDA") pursuant to section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act (the "FDCA"). The Hatch-Waxman Act provides significant incentives to generic manufacturers to challenge U.S. patents on successful innovative pharmaceutical products. We have received a notice letter from each of Apotex, Inc., Hikma Pharmaceuticals USA Inc., Sun Pharmaceutical Industries Inc., Granules India Ltd., Dr. Reddy's Laboratories, Inc., Eugia Pharma Specialties, Ltd., and Alkem Laboratories Ltd., which we refer to as the Generic JAKAFI Manufacturers, notifying us that each has filed an ANDA requesting approval to market a generic version of JAKAFI and that contains a paragraph IV certification purporting to challenge one or more patents covering ruxolitinib composition of matter and its use that expire (with pediatric extension) in June 2028 and patents covering ruxolitinib phosphate and its use that expire (with pediatric extension) in December 2028. We have also received a separate notice letter from Apotex, Inc. regarding its filing of an NDA pursuant to section 505(b)(2) of the FDCA that requested to rely, in part, on the FDA's previously published findings of safety and efficacy for JAKAFI and that contains a paragraph IV certification purporting to challenge patents covering ruxolitinib composition of matter and its use that expire (with pediatric extension) in June 2028 and patents covering ruxolitinib phosphate and its use that expire (with pediatric extension) in December 2028. In response, we filed patent infringement actions against each of the Generic JAKAFI Manufacturers (including with respect to both the ANDA and 505(b)(2) NDA for Apotex, Inc.) in the U.S. District Court for the District of New Jersey asserting certain FDA Orange-Book-listed patents for JAKAFI. In October 2025 and February 2026, we entered into a confidential settlement agreement with Hikma Pharmaceuticals USA Inc. and Granules India Ltd., respectively, settling all outstanding claims in the Hikma and Granules litigations. The actions against the other Generic JAKAFI Manufacturers remain pending.

ICLUSIG currently competes with existing therapies that are approved for the treatment of patients with chronic myeloid leukemia ("CML") who are resistant or intolerant to prior tyrosine kinase inhibitor ("TKI") therapies, on the basis of, among other things, efficacy, cost, breadth of approved use and the safety and side-effect profile. In addition, generic versions of imatinib are available. Given ICLUSIG's various indication statements globally that are currently focused on resistant or intolerant CML, we currently believe that generic versions of imatinib will not materially impact our commercialization of ICLUSIG but we cannot be certain how physicians, payors, patients, regulatory authorities and other market participants will respond to the availability of generic versions of imatinib.

MONJUVI/MINJUVI currently competes with existing therapies that are approved for the treatment of patients with diffuse large B-cell lymphoma on the basis of, among other things, efficacy, cost, breadth of approved use and the safety and side-effect profile. These existing therapies are offered by major pharmaceutical and biotechnology companies, as well as specialty pharmaceutical firms. Competitors and potential competitors for PEMAZYRE, ZYNYZ and NIKTIMVO include major pharmaceutical and biotechnology companies, as well as specialty pharmaceutical firms.

Competitors for OPZELURA include existing over-the-counter topical treatments and prescription topical treatments, as well as oral and injectable therapies, from major pharmaceutical and biotechnology companies, and companies that produce generic versions of prescription treatments. We have received a notice letter from each of Padagis Israel Pharmaceuticals Ltd., Taro Pharmaceuticals Inc., Zydus Lifesciences Limited and Encube Ethicals Private Limited, which we refer to as the Generic OPZELURA Manufacturers, notifying us that each has filed an ANDA requesting approval to market a generic version of OPZELURA and that contains a paragraph IV certification purporting to challenge one or more patents covering ruxolitinib phosphate cream and its uses that expire in 2031 and 2040. None of the notice letters challenge the ruxolitinib or ruxolitinib phosphate composition of matter patents, providing patent coverage (with pediatric extension) until December 2028, and the notice letter from Zydus Lifesciences Limited also does not challenge certain patents covering ruxolitinib phosphate cream and its uses, providing patent coverage (with pediatric extension) until November 2031. In response to the notice letters, we filed patent infringement actions against each of the Generic OPZELURA Manufacturers in the U.S. District Court for the District of New Jersey asserting certain FDA Orange Book-listed patents for OPZELURA. Each of these actions remains pending.

There can be no assurance that our patents will be upheld or that any litigation in which we might engage with any generic manufacturer will be successful in protecting exclusivity of our products. The entry of a competitive drug product from another company or a generic version of one of our products could result in a decrease in sales of our products and materially harm our business, operating results, and financial condition.

Factors similar to those listed above also apply to our collaborator Novartis for JAKAVI and TABRECTA in the jurisdictions in which it has commercialization rights and to our collaborator Lilly for OLUMIANT in all jurisdictions.

OTHER RISKS RELATING TO OUR BUSINESS

We or our collaborators may be unsuccessful in our efforts to discover and develop drug candidates and commercialize drug products.

Our long-term success, revenue growth and diversification of revenues depends on our ability to obtain regulatory approval for new drug products and additional indications for our existing drug products. Our ability to discover and develop drug candidates and to commercialize additional drug products and indications will depend on our ability to:

- hire and retain key employees;
- identify high quality therapeutic targets;
- identify potential drug candidates;
- develop products internally or license or acquire drug candidates from others;
- identify and enroll suitable human subjects, either in the United States or abroad, for our clinical trials;
- complete laboratory testing;
- commence, conduct and complete safe and effective clinical trials on humans;
- obtain and maintain necessary intellectual property rights to our products;
- obtain and maintain necessary regulatory approvals for our products, both in the United States and abroad;
- enter into arrangements with third parties to provide services or to manufacture our products on our behalf;
- deploy sales, marketing, distribution and manufacturing resources effectively or enter into arrangements with third parties to provide these functions in compliance with all applicable laws;
- obtain appropriate coverage and reimbursement levels for the cost of our products from governmental authorities, private health insurers and other third-party payors;
- lease facilities at reasonable rates to support our growth; and

- enter into arrangements with third parties to license and commercialize our products.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Despite investing significant resources, we may not be successful in discovering, developing, or commercializing additional drug products or our existing drug products in new indications. Discovery and development of drug candidates are expensive, uncertain and time-consuming, and we do not know if our efforts will lead to discovery of any drug candidates that can be successfully developed and marketed. We, or our collaborators or licensees, may decide to discontinue development of any or all of our drug candidates at any time for commercial, scientific or other reasons. Even if a drug candidate receives marketing approval, it may not be able to achieve market acceptance or compete successfully with our competitors' products and we may never realize a return on the significant amount of time and money invested in the drug candidate, which could adversely affect our operating results and financial condition as well as our business plans. Of the compounds or biologics that we identify as potential drug products or that we in-license from other companies, including potential products for which we are conducting clinical trials, only a few, if any, are likely to lead to successful drug development programs and commercialized drug products.

The failure of our or our collaborators' products to gain acceptance in the marketplace could negatively impact demand for our products and could materially and adversely affect our results of operations and financial condition.

Even if our or our collaborators' drug candidates receive regulatory approval in the United States or foreign jurisdictions, the market success of these products will be adversely affected if they are unable to achieve and maintain market acceptance by patients, providers and payors. Demand for our products could be adversely affected if providers elect a course of treatment which does not include our or our collaborators' approved products. The market success of our products depends on our ability to successfully communicate the safety and efficacy of our and our collaborator's products, and the failure to do so could adversely impact our results of operations and financial condition.

If we or our collaborators are unable to obtain regulatory approval for our drug candidates in the United States or foreign jurisdictions, we or our collaborators will not be permitted to commercialize products resulting from our research.

In order to commercialize drug products in the United States, drug candidates will have to obtain regulatory approval from the FDA. Satisfaction of regulatory requirements typically takes many years. To obtain regulatory approval, we or our collaborators, as the case may be, must first show that our or our collaborators' drug candidates are safe and effective for target indications through preclinical testing (animal testing) and clinical trials (human testing). Preclinical testing and clinical development are long, expensive and uncertain processes, and we do not know whether the FDA will allow us or our collaborators to undertake clinical trials of any drug candidates in addition to our or our collaborators' compounds currently in clinical trials. If regulatory approval of a product is granted, this approval will be limited to those disease states and conditions for which the product is demonstrated through clinical trials to be safe and effective.

Completion of clinical trials may take several years and failure may occur at any stage of testing. The length of time required varies substantially according to the type, complexity, novelty and intended use of the drug candidate. Interim results of a preclinical test or clinical trial do not necessarily predict final results, and acceptable results in early clinical trials may not be repeated in later clinical trials. For example, a drug candidate that is successful at the preclinical level may cause harmful or dangerous side effects when tested at the clinical level. Our rate of commencement and completion of clinical trials may be delayed, and existing clinical trials with our or our collaborators' drug candidates may be stopped, due to many potential factors, including:

- the high degree of risk and uncertainty associated with drug development;
- our inability to formulate or manufacture sufficient quantities of materials for use in clinical trials;
- variability in the number and types of patients available for each study;
- difficulty in maintaining contact with patients after treatment, resulting in incomplete data;
- unforeseen safety issues or side effects;
- poor or unanticipated effectiveness of drug candidates during the clinical trials; or

- government or regulatory delays.

Data obtained from clinical trials are susceptible to varying interpretation, which may delay, limit or prevent regulatory approval. Many companies in the pharmaceutical and biopharmaceutical industry, including our company, have suffered significant setbacks in advanced clinical trials, even after achieving promising results in earlier clinical trials. In addition, regulatory authorities may refuse or delay approval as a result of other factors, such as changes in regulatory policy during the period of product development and regulatory agency review. Delays in FDA approval of drug candidates may also result from other factors such as funding limitations, staffing reductions or other resource restrictions, any of which could have an adverse effect on the regulatory approval process. Further, the FDA has in the past required, and could in the future require, that we or our collaborators conduct additional trials of any of our drug candidates, which would result in delays and could result in our termination of a drug development program. From time to time we and our collaborators have experienced events that have resulted in delays, setbacks and terminations of drug development programs. In April 2017, we and our collaborator Lilly announced that the FDA had issued a complete response letter for the NDA of OLUMIANT as a once-daily oral medication for the treatment of moderate-to-severe rheumatoid arthritis. The letter indicated that additional clinical data were needed to determine the most appropriate doses and to further characterize safety concerns across treatment arms. In June 2018, after a resubmission of the NDA, the FDA approved the 2mg dose of OLUMIANT for the treatment of adults with moderately-to-severely active rheumatoid arthritis who have had an inadequate response to one or more tumor necrosis factor inhibitor therapies. The FDA did not at that time approve any higher dose of OLUMIANT and required a warning label in connection with its approval. In addition, in January 2022, we announced that we withdrew the NDA seeking approval of parsaclisib for the treatment of patients with relapsed or refractory follicular lymphoma, marginal zone lymphoma and mantle cell lymphoma. The decision to withdraw the NDA followed discussions with FDA regarding confirmatory clinical trials that we determined cannot be completed within the time period to support the investment. Also, in March 2023, we received a complete response letter for ruxolitinib extended release tablets, which identified additional requirements for approval.

Compounds or biologics developed by us or with or by our collaborators and licensees may not prove to be safe and effective in clinical trials and may not meet all of the applicable regulatory requirements needed to receive marketing approval. For example, in January 2020 we stopped our Phase 3 trial of itacitinib for the treatment of acute graft-versus-host-disease. If clinical trials of any of our or our collaborators' compounds or biologics are stopped for safety, efficacy or other reasons or fail to meet their respective endpoints, our overall development plans, business, prospects, expected operating results and financial condition could be materially harmed and the value of our company could be negatively affected.

Even if any of our applications receives an FDA Fast Track or priority review designation (including based on a priority review voucher, one of which we recently acquired and used in connection with our submission seeking FDA approval of ruxolitinib cream for atopic dermatitis), these designations may not result in faster review or approval for our product candidate compared to product candidates considered for approval under conventional FDA procedures and, in any event, do not assure ultimate approval of our product candidate by the FDA. For example, in June 2021 we were informed by the FDA that the FDA had extended by three months the review period for the NDA for ruxolitinib cream for atopic dermatitis. Also, in July 2021, we announced that the FDA issued a complete response letter for the BLA of retifanlimab for the treatment of squamous cell carcinoma of the anal canal, in which the FDA stated it cannot approve the BLA and that additional data are needed. In addition, while the FDA had granted orphan drug designation and Fast Track designation to parsaclisib as a treatment for patients with follicular lymphoma, marginal zone lymphoma and mantle cell lymphoma, as discussed above we withdrew our NDA seeking approval for treatment of patients with those lymphomas. The FDA has recently increased its attention on mandated confirmatory trials for oncology drug candidates with accelerated approvals, and the logistics, cost and timing required for confirmatory trials may conflict with our investment thesis for drug candidates, resulting in withdrawal of approval applications.

Outside the United States, our and our collaborators' ability to market a product is contingent upon receiving a marketing authorization from the appropriate regulatory authorities. This foreign regulatory approval process typically includes all of the risks associated with the FDA approval process described above and may also include additional risks. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country and may require us to perform additional testing and expend additional resources. Approval by the FDA does not ensure approval by regulatory authorities in other countries, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other countries or by the FDA.

Healthcare reform measures could impact the pricing and profitability of pharmaceuticals, and adversely affect the commercial viability of our or our collaborators' products and drug candidates. If recent proposals for changes to Medicare and Medicaid reimbursement of drug prices are adopted into law, our results of operations and financial condition could be harmed.

In recent years, through legislative and regulatory actions and executive orders, the U.S. federal government has made substantial changes to various payment systems under the Medicare and other federal healthcare programs. Comprehensive reforms to the U.S. healthcare system were enacted, including changes to the methods for, and amounts of, Medicare reimbursement. For example, the American Rescue Plan Act of 2021 includes a provision that became effective in January 2024 that eliminated the statutory cap on rebates that drug manufacturers pay to Medicaid. It is expected that this provision, as implemented by the Centers for Medicare and Medicaid Services ("CMS") will have the effect of increasing Medicaid rebate liability, particularly in the case of medicines that have experienced price increases at a rate in excess of inflation. Further, in August 2022, the Inflation Reduction Act of 2022 was enacted, which includes provisions allowing the federal government to negotiate prices for certain high-expenditure single source Medicare drugs, to impose penalties and to implement a potential excise tax for manufacturers that fail to comply with the negotiation by offering a price that is not equal to or less than the negotiated "maximum fair price" under the law, and to impose rebate liability on manufacturers that take price increases that exceed inflation. The new law also reduced the out-of-pocket prescription drug costs for Medicare Part D beneficiaries, and to help pay for this change in benefit design, the law imposes a new discount program which started in 2025 in which manufacturers pay specified discounts on Medicare Part D utilization of their drugs as a condition of selling such drugs in the Medicare Part D program. The Inflation Reduction Act includes certain exemptions for small biotech drug manufacturers, including Incyte. These exemptions apply on a drug-specific basis, and qualifying drugs will be exempt from possible negotiation through 2028 and subject to reduced discounts that will be phased-in over a number of years under the new Part D benefit. While there is currently significant uncertainty regarding the implementation of some of these reforms or the scope of amended or additional reforms, the implementation of reforms could significantly reduce net sales resulting from the Medicare programs and limit our ability to increase the prices that we charge for our drugs. Reforms or other changes to these payment systems may change the availability, methods and rates of reimbursements from Medicare, private insurers and other third-party payors for our current and any future approved products. These reforms may affect future investments in our drug development, should the reforms affect our risk-benefit analysis of investing in a drug candidate. Some of these changes and proposed changes could result in reduced reimbursement rates or the elimination of dual sources of payment, which could reduce the price that we or any of our collaborators or licensees receive for any products in the future, and which would adversely affect our business strategy, operations and financial results.

In addition, there has been an increasing legislative and enforcement interest in the United States with respect to drug pricing practices. This has resulted in significant legislative activity and proposals from the prior and current administrations relating to prescription drug prices and reimbursement, any of which, if enacted, could impose downward pressure on the prices that we can charge for our products and may further limit the commercial viability of our products and drug candidates. Specifically, there have been ongoing federal congressional inquiries and proposed and enacted federal and state legislation, executive orders and administrative agency rules designed to, among other things, bring more transparency to drug pricing, reduce drug prices, reform government program reimbursement methodologies for prescription drugs, expand access to government-mandated discounted pricing (known as 340B pricing) through broader contract pharmacy arrangements, allow importation of drugs into the United States from other countries, and limit allowable prices for drugs through reference to an average price from foreign markets that may be substantially lower than what we currently or would otherwise charge. In certain foreign markets, pricing or profitability of prescription pharmaceuticals is subject to government control. We expect that the healthcare reform measures that have been adopted in the United States and in foreign markets, and further reforms that may be adopted in the future, could result in more rigorous coverage criteria and additional downward pressure on the prices that we may receive for our approved products. If reimbursement for our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed, including material adverse affects to our revenue and the curtailing or, in some case, the ceasing of our research and development efforts. There may be future changes that result in reductions in current prices, coverage and reimbursement levels for our current or any future approved products, and we cannot predict the scope of any future changes or the impact that those changes would have on our operations.

Further, if we become the subject of any governmental or other regulatory hearing or investigation with respect to the pricing of our products or other business practices, we could incur significant expenses and could be distracted from the operation of our business and execution of our business strategy. Any such hearing or investigation could also result in significant negative publicity and harm to our reputation, reduced market acceptance and demand, which could adversely affect our financial results and growth prospects.

In addition, the trend toward managed healthcare in the United States as well as legislative and regulatory proposals to reform healthcare or address the cost of government insurance programs may all result in lower prices for, or rejection of, our products. Managed healthcare organizations could control or significantly influence the purchase of healthcare services and products. Adoption of our products by the medical community and patients may be limited without adequate reimbursement for those products. Cost control initiatives may decrease coverage and payment levels for our products and, in turn, the price that we will be able to charge for any product. Our products may not be considered cost-effective, and coverage and reimbursement may not be available or sufficient to allow us to sell our products on a profitable basis. We are unable to predict all changes to the coverage or reimbursement methodologies that will be applied by private or government payors to our current and any future approved products.

The continuing efforts of legislatures, health agencies and third-party payors to contain or reduce the costs of healthcare, any denial of private or government payor coverage or inadequate reimbursement for our drug candidates could materially and adversely affect our business strategy, operations, future revenues and profitability, and the future revenues and profitability of our potential customers, suppliers, collaborators and licensees and the availability of capital. The same risks apply to our compounds developed and marketed by our collaborators, and our future potential milestone and royalty revenues could be affected in a similar manner.

Changes in government pricing policies, including the enactment of "most favored nation" pricing legislation, could adversely affect our business.

Our revenue, results of operations, and cash flows could be materially and adversely affected by changes in government pricing policies, including recently proposed or enacted "most favored nation" (MFN) pricing legislation or executive actions. For example, an executive order issued on May 12, 2025, directed the Department of Health and Human Services to establish MFN price targets, and, if progress toward these targets is insufficient, to pursue rulemaking that could require sale of certain products in the U.S. at prices no higher than those in comparable developed nations. The extent, timing, and ultimate effect of this policy are uncertain, and we cannot predict the potential impact on our pricing, reimbursement, or profitability.

We depend on our collaborators and licensees for the future development and commercialization of some of our drug candidates. Conflicts may arise between our collaborators and licensees and us, or our collaborators and licensees may choose to terminate their agreements with us, which may adversely affect our business.

We have licensed to Novartis rights to ruxolitinib outside of the United States and worldwide rights to our MET inhibitor compounds, including TABRECTA, and licensed to Lilly worldwide rights to baricitinib. In addition, we have licensed certain Asian rights to some of our drug products and clinical stage compounds to other collaborators. Under the terms of our agreements with these collaborators, we have no or limited control over the further clinical development of these drug candidates in the relevant territories and any revenues we may receive if these drug candidates receive regulatory approval and are commercialized in the relevant territories will depend primarily on the development and commercialization efforts of others. While OLUMIANT was approved by the European Commission in February 2017 for the treatment of moderate-to-severe rheumatoid arthritis in adult patients and by Japan's Ministry of Health, Labor and Welfare in July 2017 for the treatment of rheumatoid arthritis in patients with inadequate response to standard-of-care therapies, the NDA for OLUMIANT for the treatment of moderate-to-severe rheumatoid arthritis was approved in June 2018, and only in the lower dosage tablet and with a warning label. Delays in any marketing approval by the FDA, European or other regulatory authorities, or any label modifications or restrictions in connection with any such approval, or the existence of other risks relating to approved drug products, including those described under "Risks Relating to Commercialization of Our Products," could delay the receipt of and reduce resulting potential royalty and milestone revenue from our out-licensed drug candidates.

Conflicts may arise with our collaborators and licensees if they pursue alternative technologies or develop alternative products either on their own or in collaboration with others as a means for developing treatments for the diseases that we have targeted. Competing products and product opportunities may lead our collaborators and licensees to withdraw their support for our drug candidates. Any failure of our collaborators and licensees to perform their obligations under our agreements with them or otherwise to support our drug candidates could negatively impact the development of our drug candidates and lead to our loss of potential revenues from product sales and milestones. Additionally, conflicts have from time to time occurred, and may in the future arise, relating to, among other things, disputes about the achievement and payment of milestone amounts and royalties owed, the ownership of intellectual property that is developed during the course of a collaborative relationship or the operation or interpretation of other provisions in our collaboration and license agreements. These disputes have led and could in the future lead to litigation or arbitration, which could be costly and divert the efforts of our management and scientific staff and could diminish the expected effectiveness of the collaboration.

Our existing collaborative and license agreements can be terminated by our collaborators and licensees for convenience, in addition to other circumstances. If any of our collaborators or licensees terminates its agreement with us, or terminates its rights with respect to certain indications or drug candidates, we may not be able to find a replacement collaborator and our business could be adversely affected. Should an agreement be terminated before we have realized the benefits of the collaboration or license, our reputation could be harmed, we may not obtain revenues that we anticipated receiving, and our business could be adversely affected.

The success of our drug discovery and development efforts may depend on our ability to find suitable collaborators to fully exploit our capabilities. If we are unable to establish collaborations or if these future collaborations are unsuccessful in the development and commercialization of our drug candidates, our research, development and commercialization efforts may be unsuccessful, which could adversely affect our results of operations, financial condition and future revenue prospects.

An element of our business strategy is to enter into collaborative or license arrangements with other parties, under which we license our drug candidates to those parties for development and commercialization or under which we study our drug candidates in combination with other parties' compounds or biologics. For example, in addition to Novartis, Lilly, and our other existing collaborations, we are evaluating strategic relationships with respect to several of our other programs. However, because collaboration and license arrangements are complex to negotiate, we may not be successful in our attempts to establish these arrangements. Also, we may not have drug candidates that are desirable to other parties, or we may be unwilling to license a drug candidate to a particular party because such party is a competitor or for other reasons. The terms of any such arrangements that we establish may not be favorable to us. Alternatively, potential collaborators may decide against entering into an agreement with us because of our financial, regulatory or intellectual property position or for scientific, commercial or other reasons. If we are not able to establish collaboration or license arrangements, we may not be able to develop and commercialize a drug product, which could adversely affect our business, our revenues and our future revenue prospects.

We will likely not be able to control the amount and timing of resources that our collaborators or licensees devote to our programs or drug candidates. If our collaborators or licensees prove difficult to work with, are less skilled than we originally expected, do not devote adequate resources to the program, are unable to obtain regulatory approval of our drug candidates, pursue alternative technologies or develop alternative products, or do not agree with our approach to development or manufacturing of the drug candidate, the relationship could be unsuccessful. We cannot be sure that potential conflicts will not arise or be alleged among our existing or future collaborations. If a business combination involving a collaborator or licensee and a third-party were to occur, the effect could be to terminate or cause delays in the development of our drug candidate.

If we fail to enter into additional licensing agreements or if these arrangements are unsuccessful, our business and operations might be adversely affected.

In addition to establishing collaborative or license arrangements under which other parties license our drug candidates for development and commercialization or under which we study our drug candidates in combination with such parties' compounds or biologics, we may explore opportunities to develop our clinical pipeline by in-licensing drug candidates or therapeutic targets that fit within our focus, such as our collaborations with MacroGenics, Inc. ("MacroGenics"), Merus N.V. ("Merus") and Syndax Pharmaceuticals Inc., or explore additional opportunities to further develop and commercialize existing drug candidates in specific jurisdictions, such as our June 2016 acquisition of the development and commercialization rights to ICLUSIG in certain countries. We may be unable to enter into any additional

in-licensing agreements because suitable drug candidates that are within our expertise may not be available to us on terms that are acceptable to us or because competitors with greater resources seek to in-license the same drug candidates. Drug candidates that we would like to develop or commercialize may not be available to us because they are controlled by competitors who are unwilling to license the rights to the drug candidate to us. In addition, we may enter into license agreements that are unsuccessful and our business and operations might be adversely affected if we are unable to realize the expected economic benefits of a collaboration or other licensing arrangement, by the termination of a drug candidate and termination and winding down of the related license agreement, or due to other business or regulatory issues, including financial difficulties, that may adversely affect a licensor's ability to continue to perform its obligations under an in-license agreement. For example, in January 2022, we decided to opt-out of the continued development with Merus of MCLA-145, which was the most advanced compound under our collaboration with Merus, and in 2022 and 2023, we decided to terminate our collaborations with Calithera Biosciences, Inc. and Syros Pharmaceuticals, Inc. If we make or incur contractual obligations to make significant upfront payments in connection with licenses for late-stage drug candidates, and if any of those drug candidates do not receive marketing approval or commercial sales as anticipated or we have to fund additional clinical trials before marketing approval can be obtained, we will have expended significant funds that might have been applied for other uses or we may have to expend funds that were not otherwise budgeted or anticipated in connection with the collaboration, and such developments could have a material adverse effect on our stock price and our ability to pursue other transactions. As discussed above under "Other Risks Relating to Our Business—We depend on our collaborators and licensees for the future development and commercialization of some of our drug candidates. Conflicts may arise between our collaborators and licensees and us, or our collaborators and licensees may choose to terminate their agreements with us, which may adversely affect our business," conflicts or other issues may arise with our licensors. Those conflicts could result in delays in our plans to develop drug candidates or result in the expenditure of additional funds to resolve those conflicts that could have an adverse effect on our results of operations. We have also licensed, and may in the future need to license, drug delivery or other technology in order to continue to develop our drug candidates. If we are unable to enter into additional agreements to license drug candidates, drug delivery technology or other technology or if these arrangements are unsuccessful, our research and development efforts could be adversely affected, and we may be unable to increase our number of successfully marketed products and our revenues.

Public health epidemics and pandemics, such as the COVID-19 pandemic, have adversely affected and could in the future adversely affect our business, results of operations, and financial condition.

Our global operations expose us to risks associated with public health epidemics and pandemics, such as the COVID-19 pandemic. The extent to which a public health pandemic and the measures taken to limit the disease's spread can impact our operations and those of our suppliers, collaborators, service providers and healthcare organizations serving patients, as well as demand for our drug products, will depend on developments that are highly uncertain, including the duration of the outbreak and any related government actions.

As a result of the COVID-19 pandemic we experienced, and as a result of future pandemics we may in the future experience, disruptions with the potential to severely impact our business, results of operations and financial condition. These disruptions can include the following:

- the imposition of shelter-in-place orders and work-from-home policies that could affect our research and development activities and access to our laboratory space;
- disruptions in our sales and marketing activities;
- negative impacts on the demand for our products as a result of a decrease in patient visits to healthcare professionals and the prioritization of hospital resources for a future pandemic;
- negative impacts on our clinical trials as a result of delays in site initiation, patient screening, patient enrollment, and monitoring and data collection;
- slower response times by the FDA and comparable foreign regulatory agencies for the review and potential approvals of our drug candidate applications; and
- negative impacts on the global supply chain which may affect our ability to obtain sufficient materials for our drug products and product candidates.

Our collaborators could be affected by similar factors as those that have or could affect our business. The ultimate impact of a public health epidemic or pandemic is highly uncertain, but the potential impacts or delays on our or our collaborators' businesses, our revenues, including milestone and royalty revenues from our collaborators, our and our collaborators' clinical trials, healthcare systems or the global economy as a whole could have a material adverse impact on our business, results of operations and financial condition.

Even if a drug candidate that we develop receives regulatory approval, we may decide not to commercialize it if we determine that commercialization of that product would require more money and time than we are willing to invest.

Even if any of our drug candidates receives regulatory approval, it could be subject to post-regulatory surveillance, and may have to be withdrawn from the market or subject to restrictions if previously unknown problems occur. Regulatory agencies also may require additional clinical trials or testing, and the drug product may be recalled or may be subject to reformulation, additional studies, changes in labeling, warnings to the public and negative publicity. As a result, we may not continue to commercialize a product even though it has obtained regulatory approval. Further, we may decide not to continue to commercialize a product if the market does not accept the product because it is too expensive or because third parties, such as insurance companies or Medicare, will not cover it for substantial reimbursement. In addition, we may decide not to continue to commercialize a product if competitors develop and commercialize similar or superior products or have proprietary rights that preclude us from ultimately marketing our products.

We have limited capacity to conduct preclinical testing and clinical trials, and our resulting dependence on other parties could result in delays in and additional costs for our drug development efforts.

We have limited internal resources and capacity to perform preclinical testing and clinical trials. As part of our development strategy, we often hire contract research organizations ("CROs") to perform preclinical testing and clinical trials for drug candidates. If the CROs that we hire to perform our preclinical testing and clinical trials do not meet deadlines, do not follow proper procedures, or a conflict arises between us and our CROs, our preclinical testing and clinical trials may take longer than expected, may cost more, may be delayed or may be terminated. If we were forced to find a replacement entity to perform any of our preclinical testing or clinical trials, we may not be able to find a suitable entity on favorable terms, or at all. Even if we were able to find another entity to perform a preclinical test or clinical trial, the delay in the test or trial may result in significant additional expenditures. Events such as these may result in delays in our obtaining regulatory approval for our drug candidates or our ability to commercialize our products and could result in increased expenditures that would adversely affect our operating results.

Our reliance on third parties for manufacture of certain of our drug products and drug candidates could result in a short supply of the drugs, delays in clinical trials or drug development, increased costs, and withdrawal or denial of a regulatory authority's approval.

We do not currently operate manufacturing facilities for most of our commercial products, including JAKAFI, PEMAZYRE, ICLUSIG, OPZELURA, ZYNYZ and NIKTIMVO, and our drug candidates. Our current manufacturing strategy for these products and drug candidates is to contract with third parties to manufacture the related raw materials, active pharmaceutical ingredient ("API"), and finished drug product. We have a biologics production facility located in Yverdon, Switzerland which is currently registered for MONJUVI/MINJUVI drug substance manufacturing. We are responsible for the sourcing and manufacturing of ZYNYZ together with our collaborator MacroGenics. While working to increase our own manufacturing capacity through our Swiss bioplant site, we expect to continue to rely on third parties for the manufacture of clinical and commercial supplies of raw materials, API and finished drug product for any drugs that we successfully develop. We also contract with third parties to package and label our products. The FDA requires that the raw materials, API and finished product for drug products such as JAKAFI, PEMAZYRE and OPZELURA and our drug candidates be manufactured according to its current Good Manufacturing Practices regulations, and regulatory authorities in other countries have similar requirements. Failure to comply with Good Manufacturing Practices and the applicable regulatory requirements of other countries in the manufacture of our drug candidates and products could result in the FDA or a foreign regulatory authority halting our clinical trials, withdrawing or denying regulatory approval of our drug product, initiating product recalls or taking other enforcement actions, which could have a material adverse effect on our business.

We may not be able to obtain sufficient quantities of our drug candidates or any drug products we may develop if our designated manufacturers do not have the capacity or capability to manufacture them according to our schedule and specifications. Manufacturers of pharmaceutical products often encounter difficulties in production, especially in scaling up initial production to commercial quantities from clinical quantities. These problems include difficulties with production costs and yields, quality control and assurance and shortages of qualified personnel. To the extent problems such as these

are experienced, we could encounter difficulties in supplying sufficient product to meet demand or incur additional costs to remedy the problems or to recall defective products. Any such recall could also harm our sales efforts and our reputation. Our suppliers, which operate in multiple countries around the world, could also experience disruptions in their operations resulting from various factors, including equipment malfunction or failure, regulatory requirements or actions, raw material shortages, labor disputes or shortages, including from the effects of public health pandemics, cyberattacks, natural and other disasters, and wars or other geopolitical events. In addition, one or more of our third party contract manufacturers could be acquired and its contract manufacturing operations could be ceased or curtailed. While our strategy is to maintain at a minimum 24 months stock of ruxolitinib phosphate API, inclusive of finished product, ruxolitinib phosphate might be used by us either to make JAKAFI or OPZELURA or for ruxolitinib drug candidates in clinical trials. In addition, we may not be able to arrange for our drug candidates or any drug products that we may develop to be manufactured by one of these parties on reasonable terms, if at all. We generally have a single source or a limited number of suppliers that are qualified to supply each of the raw materials, API and finished product of our drug products and our other drug candidates. If any of these suppliers were to become unable or unwilling to supply us with raw materials, API or finished product that complies with applicable regulatory requirements, we could incur significant delays in our clinical trials or interruption of commercial supply that could have a material adverse effect on our business. If we have promised delivery of a drug candidate or drug product and are unable to meet the delivery requirement due to manufacturing difficulties, our development programs could be delayed, we may have to expend additional sums in order to ensure that manufacturing capacity is available when we need it even if we do not use all of the manufacturing capacity, and our business and operating results could be harmed. Any increases in the cost of our drug candidates or drug products, whether through conditions affecting the cost and availability of raw materials, such as inflation, decreases in available manufacturing capacity, or otherwise, would adversely affect our results of operations.

We may not be able to adequately manage and oversee the manufacturers we choose, they may not perform as agreed or they may terminate their agreements with us. Foreign manufacturing approval processes typically include all of the risks associated with the FDA approval process for manufacturing and may also include additional risks.

A number of our collaborations involve the manufacture of antibodies. Either we or our collaborators have primary responsibility for manufacturing activities, and we intend to continue to use third-party contract manufacturing organizations for the manufacture of antibodies in conjunction with our manufacturing facility in Switzerland. Manufacturing antibodies and products containing antibodies is a more complex process than manufacturing small molecule drugs and subject to additional risks. The process of manufacturing antibodies and products containing antibodies is highly susceptible to product loss due to contamination, equipment failure or improper installation or operation of equipment, vendor or operator error, inconsistency in yields, variability in product characteristics, and difficulties in scaling up the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. We may encounter delays and difficulties in scaling up production at our Swiss facility or in obtaining necessary regulatory approvals and registrations to do so.

Our manufacturing facility in Switzerland is subject to similar risks as those described above in relation to our third-party manufacturers. This facility may encounter unanticipated delays and expenses in operations due to a number of factors, including regulatory requirements. For example, our manufacturing facilities are subject to inspection in connection with clinical development and new drug approvals as well as ongoing, periodic inspections by regulatory agencies. Any failures or deficiencies identified by such inspections could delay or prevent our manufacturing activities. If our manufacturing operations are delayed, we may not be able to manufacture sufficient quantities of our drug candidates and approved drug products which could limit our development and commercialization activities and adversely affect our business.

If we fail to comply with the extensive legal and regulatory requirements affecting the healthcare industry, we could face increased costs, penalties and a loss of business.

Our activities, and the activities of our collaborators, partners and third-party providers, are subject to extensive government regulation and oversight both in the United States and in foreign jurisdictions. The FDA and comparable agencies in other jurisdictions directly regulate many of our most critical business activities, including the conduct of preclinical and clinical studies, product manufacturing, advertising and promotion, product distribution, adverse event reporting and product risk management. States increasingly have been placing greater restrictions on the marketing practices of healthcare companies and have instituted pricing disclosure and other requirements for companies selling

pharmaceuticals. In addition, pharmaceutical and biotechnology companies have been the target of lawsuits and investigations alleging violations of government regulations, including claims asserting submission of incorrect pricing information, improper promotion of pharmaceutical products, payments intended to influence the referral of federal or state healthcare business, submission of false claims for government reimbursement, antitrust violations, violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery or anti-corruption laws, or violations related to environmental matters. There is also enhanced scrutiny of company-sponsored patient assistance programs, including insurance premium and co-pay assistance programs and donations to third-party charities that provide such assistance, and we have previously been subject to an inquiry relating to our speaker programs and patient assistance programs. Violations of governmental regulation by us, our vendors or donation recipients may be punishable by criminal and civil sanctions, including damages, fines and penalties and exclusion from participation in government programs, including Medicare and Medicaid. In addition to damages, fines and penalties for violation of laws and regulations, we could be required to repay amounts we received from government payors, or pay additional rebates and interest if we are found to have miscalculated the pricing information we have submitted to the government. Actions taken by federal or local governments, legislative bodies and enforcement agencies with respect to these legal and regulatory compliance matters could also result in reduced demand for our products, reduced coverage of our products by healthcare payors, or both. We cannot ensure that our compliance controls, policies, and procedures will in every instance protect us from acts committed by our employees, collaborators, partners or third-party providers that would violate the laws or regulations of the jurisdictions in which we operate. Whether or not we have complied with the law, an investigation into alleged unlawful conduct could increase our expenses, damage our reputation, divert management time and attention and adversely affect our business, and any settlement of these proceedings could result in significant payments by us. Risks relating to compliance with laws and regulations may be heightened as we continue to expand our global operations and enter new therapeutic areas with different patient populations, which due to different product distribution methods, marketing programs or patient assistance programs may result in additional regulatory burdens and obligations.

The illegal distribution and sale by third parties of counterfeit or unfit versions of our or our collaborators' products or stolen products could harm our business and reputation.

We are aware that counterfeit versions of our products have been distributed or sold by entities not authorized by us using product packaging suggesting that the product was provided by us. If unauthorized third parties illegally distribute and sell counterfeit versions of our or our collaborators' products, those products may not meet our or our collaborators' rigorous manufacturing, distribution and handling standards. In addition, inventory that is stolen from warehouses, plants or while in-transit, and that is subsequently improperly stored and sold through unauthorized channels, may not meet our or our collaborators' distribution and handling standards. A patient who receives a counterfeit or unfit drug may suffer dangerous health consequences. Our reputation and business could suffer harm as a result of counterfeit or unfit drugs sold under our brand name and could result in lost sales for us and decreased revenues. If counterfeit or unfit drugs are sold under our or our collaborators' brand names, our reputation and business could suffer harm and we could experience decreased royalty revenues.

As most of our drug discovery and development operations are conducted at our headquarters in Wilmington, Delaware, the loss of access to this facility would negatively impact our business.

Our facility in Wilmington, Delaware is our headquarters and is also where we conduct most of our drug discovery, research, development and marketing activities. In addition, natural disasters, the effects of or measures taken to limit the effects of health epidemics such as the COVID-19 pandemic, or actions of activists opposed to aspects of pharmaceutical research may disrupt our experiments or our ability to access or use our facility. The loss of access to or use of our Wilmington, Delaware facility, either on a temporary or permanent basis, would result in an interruption of our business and, consequently, would adversely affect our overall business.

We depend on key employees in a competitive market for skilled personnel, and the loss of the services of any of our key employees or our inability to attract and retain additional personnel would affect our ability to expand our drug discovery and development programs and achieve our objectives.

We are highly dependent on the members of our executive management team and principal members of our commercial, development, medical, operations and scientific staff. We experience intense competition for qualified personnel. Our future success also depends in part on the continued service of our executive management team and key personnel and our ability to recruit, train and retain essential personnel for our drug discovery and development programs, and for our medical affairs and commercialization activities. If we lose the services of any of these people or if we are unable to recruit sufficient qualified personnel, our research and product development goals, and our commercialization efforts could be delayed or curtailed. We do not maintain "key person" insurance on any of our employees.

If we fail to manage our growth effectively, our ability to develop and commercialize products could suffer.

We expect that if our drug discovery efforts continue to generate drug candidates, our clinical drug candidates continue to progress in development, and we continue to build our development, medical and commercial organizations, we will require significant additional investment in personnel, management and resources. Our ability to achieve our research, development and commercialization objectives depends on our ability to respond effectively to these demands and expand our internal organization, systems, controls and facilities to accommodate additional anticipated growth. If we are unable to manage our growth effectively, our business could be harmed and our ability to execute our business strategy could suffer.

We may acquire businesses or assets, form joint ventures or make investments in other companies that may be unsuccessful, divert our management's attention and harm our operating results and prospects.

As part of our business strategy, we may pursue acquisitions of what we believe to be complementary businesses or assets or seek to enter into joint ventures. We also may pursue strategic alliances in an effort to leverage our existing infrastructure and industry experience to expand our product offerings or distribution or make investments in other companies. For example, in February 2024 we entered into a purchase agreement with MorphoSys AG and MorphoSys US Inc. under which we acquired rights to tafasitamab (MONJUVI/MINJUVI) that resulted in our holding exclusive global development and commercialization rights to tafasitamab. The success of our acquisitions, joint ventures, strategic alliances and investments will depend on our ability to identify, negotiate, complete and, in the case of acquisitions, integrate those transactions and, if necessary, obtain satisfactory debt or equity financing to fund those transactions. These strategic transactions are complex, time consuming and expensive and entail numerous risks, including:

- unanticipated costs, delays or other operational or financial problems related to integrating the products, product candidates, technologies, business operations, systems, controls and personnel of an acquired company or asset with our company;
- failure to successfully develop and commercialize acquired products, product candidates or technologies or to achieve other strategic objectives;
- delays or inability to progress preclinical programs into clinical development or unfavorable data from clinical trials evaluating acquired or licensed products or product candidates;
- disruption of our ongoing business and diversion of our management's and employees' attention from ongoing development of our existing business and other opportunities and challenges;
- inability to achieve planned synergies or cost savings;
- the potential loss of key employees of an acquired company;
- entry into markets in which we have no or limited direct prior experience or where competitors in such markets have stronger market positions;
- uncertainties in our ability to maintain the key business relationships of any business we acquire;

- exposure to unknown or contingent liabilities or the incurrence of unanticipated expenses, including those with respect to intellectual property, pre-clinical or clinical data, safety, compliance or internal controls, and including as a result of the failure of the due diligence processes to identify significant problems, liabilities or challenges of an acquired company or asset;

- the risk that acquired businesses may have differing or inadequate cybersecurity and data protection controls; and

- exposure to litigation or other claims in connection with, or inheritance of claims or litigation risk as a result of, the strategic transaction, including claims from terminated employees, customers, former equity holders or other third parties.

Acquisition transactions may be subject to regulatory approvals or other requirements that are not within our control. We may be unable to obtain these regulatory or other approvals, and closing conditions required in connection with our acquisition transactions may be unable to be satisfied or waived, which could result in our inability to complete the planned acquisition transactions. In addition, antitrust scrutiny by regulatory agencies and changes to regulatory approval processes in the U.S. and foreign jurisdictions may cause approvals to take longer than anticipated to obtain, or may not be obtained at all, or contain burdensome conditions such as required divestitures, which may jeopardize, delay or reduce the anticipated benefits of acquisitions to us and could impede the execution of our business strategy.

As a result of these or other problems and risks, the businesses, products or technologies we acquire or invest in or obtain licenses to may not produce the revenues, earnings, business synergies or other benefits that we anticipated within the expected timeframe or at all. As a result, we may incur higher costs and realize lower revenues than we had anticipated. For example, in 2024 we acquired Escient Pharmaceuticals, Inc., but later in that year we stopped development of the two lead compounds acquired from Escient. We cannot be sure that any acquisitions or investments we may make in the future will be completed or that, if completed, the acquired business, licenses, investments, products, or technologies will generate sufficient revenue to offset the costs or other negative effects on our business. Other pharmaceutical companies, many of which may have substantially greater resources, compete with us for these opportunities and we may be unable to effectively advance our business strategy through strategic transactions, which could impair our ability to grow or obtain access to products or technology that could be important to the development of our business. Any acquisitions or investments made by us also could result in significant write-offs or the incurrence of debt and contingent liabilities, any of which could harm our operating results. For example, in several quarters of the last three fiscal years we recorded unrealized losses related to our investments in our collaboration partners, and we may experience additional losses related to our investments in future periods. In addition, if we choose to issue equity securities as consideration for any acquisition, dilution to our stockholders could result.

Risks associated with our operations outside of the United States could adversely affect our business.

We have European operations and plan to continue to expand our operations and conduct certain development activities outside of the United States. For example, as part of our plans to expand our activities outside of the United States, we conduct some of our operations in Canada, have commercial and clinical development activities in Japan, maintain an office in China and are working with collaborative partners in additional markets. International operations and business expansion plans are subject to numerous additional risks, including:

- multiple, conflicting and changing laws and regulations such as tax laws, privacy regulations, tariffs, export and import restrictions, employment, immigration and labor laws, regulatory requirements, and other governmental approvals, permits and licenses, compliance with which can increase in complexity and cost as we enter into additional jurisdictions;

- difficulties in staffing and managing operations in diverse countries and difficulties in connection with assimilating and integrating any operations and personnel we might acquire into our company;

- risks associated with obtaining and maintaining, or the failure to obtain or maintain, regulatory approvals for the sale or use of our products in various countries;

- complexities associated with managing government payor systems, multiple payor-reimbursement regimes or patient self-pay systems;

- financial risks, such as longer payment cycles, difficulty obtaining financing in foreign markets, difficulty enforcing contracts and intellectual property rights, difficulty collecting accounts receivable, exposure to foreign currency exchange rate fluctuations and increased costs due to tariffs;

- general political and economic conditions in the countries in which we operate, including inflation, political or economic instability, terrorism and political unrest and geopolitical events;

- public health risks, including epidemics and pandemics, and related effects on new patient starts, clinical trial activity, regulatory agency response times, supply chain, travel and employee health and availability; and

- regulatory and compliance risks that relate to maintaining accurate information and control over activities that may fall within the purview of the U.S. Foreign Corrupt Practices Act, its books and records provisions or its anti-bribery provisions, or similar anti-bribery or anti-corruption laws and regulations in other countries, such as the U.K. Anti-Bribery Act and the U.K. Criminal Finances Act, which may have similarly broad extraterritorial reach.

In addition, our revenues are subject to foreign currency exchange rate fluctuations due to the global nature of our operations and unfavorable changes in foreign currency exchange rates may adversely affect our revenues and net income. To the extent that our non-U.S. source revenues represent a more significant portion of our total revenues, these fluctuations could materially affect our operating results. Any of the risks described above, if encountered, could significantly increase our costs of operating internationally, prevent us from operating in certain jurisdictions, or otherwise significantly harm our future international expansion and operations, which could have a material adverse effect on our business, financial condition and results of operations.

If product liability lawsuits are brought against us, we could face substantial liabilities and may be required to limit commercialization of our products and our results of operations could be harmed.

In addition to the risks described above under "Risks Relating to Commercialization of Our Products—If the use of our products harms patients, or is perceived to harm patients even when such harm is unrelated to our products, our regulatory approvals could be revoked or otherwise negatively impacted or we could be subject to costly and damaging product liability claims," the conduct of clinical trials of medical products that are intended for human use entails an inherent risk of product liability. If any product that we or any of our collaborators or licensees develops causes or is alleged to cause injury during clinical trials or commercialization, we may be held liable. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities, including substantial damages to be paid to the plaintiffs and legal costs, or we may be required to limit further development and commercialization of our products. Additionally, any product liability lawsuit could damage our reputation, cause participants and investigators to withdraw from clinical trials, and encourage potential collaborators or licensees to seek other partners, any of which could impact our results of operations.

Our product liability insurance policy may not fully cover our potential liabilities. In addition, we may determine that we should increase our coverage, and this insurance may be prohibitively expensive to us or our collaborators or licensees and may not fully cover our potential liabilities. We have elected to self-insure a portion of our exposure to product liability risks through our wholly-owned captive insurance subsidiary, in tandem with third-party insurance policies. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the development or commercialization of our drug candidates and products, and if our liabilities from any such claims exceed our third-party insurance limits and self-insurance reserves, our results of operations, cash flows and financial condition could be adversely impacted.

Because our activities involve the use of hazardous materials, we may be subject to claims relating to improper handling, storage or disposal of these materials that could be time consuming and costly.

We are subject to various environmental, health and safety laws and regulations governing, among other things, the use, handling, storage and disposal of regulated substances and the health and safety of our employees. Our research and development processes involve the controlled use of hazardous and radioactive materials and biological waste resulting in the production of hazardous waste products. We cannot completely eliminate the risk of accidental contamination or discharge and any resultant injury from these materials. If any injury or contamination results from our use or the use by our collaborators or licensees of these materials, we may be sued and our liability may exceed our insurance coverage and our total assets. Further, we may be required to indemnify our collaborators or licensees against all damages and other liabilities arising out of our development activities or products produced in connection with these collaborations or licenses. Compliance with the applicable environmental and workplace laws and regulations is expensive. Future changes to environmental, health, workplace and safety laws could cause us to incur additional expense or may restrict our operations or impair our research, development and production efforts.

Business disruptions and uncertainties could seriously harm our operations, future revenues and financial condition and increase our costs and expenses.

Our operations, and those of our CROs, suppliers, and other contractors and consultants, could be subject to business disruptions as a result of natural disasters, power and other infrastructure failures or shortages, public health pandemics or epidemics, and other natural or man-made disasters, as well as other business uncertainties as a result of international trade policies, including tariff and trade disputes, trade sanctions and import and export licensing requirements. In addition, geopolitical and other events, such as the Russian invasion of Ukraine or the conflicts in the Middle East, could lead to sanctions, embargoes, supply shortages, regional instability, geopolitical shifts, cyberattacks, other retaliatory actions, and adverse effects on macroeconomic conditions, currency exchange rates, and financial markets, which could adversely impact our operations and financial results, as well as those of third parties with whom we conduct business. The occurrence of any of these business disruptions or other uncertainties could seriously harm our operations, future revenues and financial condition and increase our costs and expenses.

RISKS RELATING TO OUR FINANCIAL RESULTS

We may incur losses in the future, and we expect to continue to incur significant expenses to discover and develop drugs, which may make it difficult for us to achieve sustained profitability on a quarterly or annual basis in the future.

We intend to continue to spend significant amounts on our efforts to discover and develop drugs, and if we are unable to generate revenues from our marketed drug products sufficient to offset our expenses we may incur losses in future periods. Our revenues, expenses and net income (loss) may fluctuate, even significantly, due to the risks described in these "Risk Factors" and the factors discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing in Part II, Item 7 of this Annual Report on Form 10-K, as well as the timing of charges and expenses that we may take, including those relating to transactions such as acquisitions and the entry into collaborative agreements. In addition, revenues from JAKAFI currently make up the substantial majority of our total revenues, but we expect that revenues from JAKAFI will begin to decline once patent exclusivity expires in 2028. We cannot assure you that we will be able to generate revenues from our other marketed drug products to offset the expected decline in revenues from JAKAFI.

We anticipate that our drug discovery and development efforts and related expenditures will increase as we expand our focus on the studies, including preclinical tests and clinical trials prior to seeking regulatory approval, that are required before we can sell a drug product.

The development of drug products will require us to spend significant funds on research, development, testing, obtaining regulatory approvals, manufacturing and marketing. We cannot be sure that we will generate substantial revenues from any drug candidates that we license or develop for several years, if ever.

We cannot be certain whether or when we will achieve sustained or increased profitability on a quarterly or annual basis because of the factors discussed under "Risks Relating to Commercialization of our Products" and in the above paragraphs and the significant uncertainties relating to our ability to generate commercially successful drug products. Even if we are successful in obtaining regulatory approvals for manufacturing and commercializing drug products in addition to our marketed drug products, we may incur losses if our drug products do not generate significant revenues.

We may need additional capital in the future. If we are unable to generate sufficient funds from operations, the capital markets may not permit us to raise additional capital at the time that we require it, which could result in limitations on our research and development or commercialization efforts or the loss of certain of our rights in our technologies or drug candidates.

Our future funding requirements will depend on many factors and we anticipate that we may need to raise additional capital to fund our business plan and research and development efforts going-forward.

Additional factors that may affect our future funding requirements include:

- the acquisition of businesses, technologies, or drug candidates, or the licensing of technologies or drug candidates, if any;
- the amount of revenues generated from our business activities;
- any changes in the breadth of our research and development programs;
- the results of research and development, preclinical testing and clinical trials conducted by us or our current or future collaborators or licensees, if any;
- our exercise of any co-development options with collaborators that may require us to fund future development;
- costs for future facility requirements;
- our ability to maintain and establish new corporate relationships and research collaborations;
- competing technological and market developments;
- the time and costs involved in filing, prosecuting, defending and enforcing patent and intellectual property rights;
- the receipt or payment of contingent licensing or milestone fees or royalties on product sales from our current or future collaborative and license arrangements, if established; and
- the timing of regulatory approvals, if any.

If we require additional capital at a time when investment in companies such as ours, or in the marketplace generally, is limited due to the then prevailing market or other conditions, we may have to scale back our operations, eliminate one or more of our research or development programs, or attempt to obtain funds by entering into an agreement with a collaborator or licensee that would result in terms that are not favorable to us or relinquishing our rights in certain of our proprietary technologies or drug candidates. If we are unable to raise funds at the time that we desire or at any time thereafter on acceptable terms, we may not be able to continue to develop our drug candidates. The sale of equity or equity-linked securities in the future may be dilutive to our stockholders and may provide for rights, preferences or privileges senior to those of our holders of common stock, and debt financing arrangements could result in increased financing costs due to higher interest rates and may require us to pledge certain assets or enter into covenants that could restrict our operations or our ability to pay dividends or other distributions on our common stock or incur further indebtedness.

Our marketable securities and equity investments are subject to risks that could adversely affect our overall financial position.

We invest our cash in accordance with an established internal policy and customarily in money market funds, U.S. government backed-funds and Treasury securities, which are investment grade and historically have been highly liquid and carried relatively low risk.

Should a portion of our cash or marketable securities lose value or have their liquidity impaired, it could adversely affect our overall financial position by imperiling our ability to fund our operations and forcing us to seek additional financing sooner than we would otherwise. Such financing, if available, may not be available on commercially attractive terms.

As discussed under "Other Risks Relating to Our Business—We may acquire businesses or assets, form joint ventures or make investments in other companies that may be unsuccessful, divert our management's attention and harm our operating results and prospects," any investments that we may make in companies with which we have strategic alliances could result in our recognition of losses on those investments. In addition, to the extent we may seek to sell or otherwise monetize those investments, we may not be able to do so at our desired price or valuation levels, or at all, due to the limited liquidity of some or all of those investments.

Any loss in value of our equity investments could adversely affect our financial position on the consolidated balance sheets and consolidated statements of operations.

Changes in tax laws or regulations could adversely affect our results of operations, business and financial condition.

New tax laws or regulations could be enacted at any time, and existing tax laws or regulations could be interpreted, modified or applied in a manner that is adverse to us or our customers, which could adversely affect our results of operations, business and financial condition. For example, in July 2025, U.S. federal tax legislation commonly referred to as the One Big Beautiful Bill Act was enacted, which, among other things, allows domestic research and development expenditures to be expensed for tax years beginning on or after January 1, 2025, with retroactive elections for such expenditures paid or incurred in the two prior years but also increases the effective tax rate on foreign-derived deduction eligible income (formerly known as "foreign-derived intangible income") for tax years beginning on or after January 1, 2026. As another example, in August 2022, the Inflation Reduction Act of 2022 was enacted, which, among other things, includes a new 15% alternative minimum tax on the adjusted financial statement income of certain large corporations for tax years beginning after December 31, 2022.

Furthermore, the enactment of some or all of the recommendations set forth or that may be forthcoming in the Organization for Economic Co-Operation and Development ("OECD") project on "Base Erosion and Profit Shifting," commonly known as BEPS 2.0, by tax authorities and economic blocs in the countries in which we operate, could unfavorably impact our effective tax rate. Broadly speaking, BEPS 2.0 would make fundamental changes to the international tax system, including with respect to the entitlement to tax global corporate profits and minimum global tax rates. For example, in December 2022, the EU member states agreed to implement in their domestic tax laws a 15% global minimum tax on the profits of large multinational enterprises with a target effective date for fiscal years beginning on or after December 31, 2023. Although we continue to evaluate and monitor the potential impact of BEPS 2.0 on us, and the OECD minimum tax rules do not currently have a material impact on us, these minimum tax rules could in the future result in tax increases in both the United States and many foreign jurisdictions where we operate or have a presence. In January 2025, the OECD released new guidance addressing implementation of the Pillar Two global minimum tax rules, which were effective for us in tax year 2024. As part of the guidance, the OECD placed limitations on transactions that produce deferred tax assets entered into during the transition period that runs from November 2021 through an entity's adoption of Pillar Two. However, in January 2026, the OECD/G20 Inclusive Framework released its Side-by-Side ("SbS") Safe Harbor package, which is intended to work "side-by-side" with the Pillar Two framework, offering a streamlined compliance pathway for large multinational enterprises. If an eligible multinational enterprise group elects the SbS Safe Harbor, any top-up tax under Pillar Two's income inclusion rule and undertaxed profits rule is treated as zero for the group's controlled domestic and foreign operations. The SbS Safe Harbor does not apply to 2024 and 2025. While we anticipate making the SbS Safe Harbor election for our tax year beginning on January 1, 2026, if we do not obtain side-by-side tax treatment, we could experience adverse consequences for tax provisions, tax liabilities and effective tax rate. Any new tax legislation or initiatives could not only significantly increase our tax provision, cash tax liabilities, compliance costs and effective tax rate, but could also significantly increase tax uncertainty due to differing interpretations and increased audit scrutiny.

We may incur additional tax liabilities related to our operations.

We are subject to income tax in the United States and the foreign jurisdictions in which we operate. We must make certain judgments in determining our worldwide tax liabilities, and our effective tax rate is derived from the applicable statutory tax rates and relative income in each taxing jurisdiction. We record liabilities for uncertain tax positions that involve significant estimation uncertainty or management judgments. Taxing authorities in the jurisdictions in which we operate may disagree with our interpretation of tax law or with the positions we may take with respect to particular tax issues. Consequently, tax assessments or judgments in excess of accrued amounts that we have estimated in preparing our financial statements may materially and adversely affect our reported effective tax rate or our cash flows. Further, other factors may adversely affect our effective tax rate, including changes in the mix of our profitability from country to country, tax effects of stock-based compensation and changes in tax laws or regulations.

We derive a substantial portion of our revenues from royalties, milestone payments and other payments under our collaboration agreements. If we are unable to achieve milestones, develop product candidates to license or renew or enter into new collaborations, our revenues may decrease, and future milestone and royalty payments may not contribute significantly to revenues for several years, and may never result in revenues.

We derive a substantial portion of our total revenues from product royalties and milestone payments under our collaboration agreements, with royalties on JAKAVI and OLUMIANT representing most of our product royalty, milestone and contract revenues in each of the three most recently completed fiscal years. Future revenues from research and development collaborations depend upon the continuation of the collaborations, the achievement of milestones, and any royalties we earn from any future products developed from our research. If we are unable to successfully achieve milestones or our collaborators fail to develop successful products, we will not earn the future revenues contemplated under our collaborative agreements. For example, delays in or other limitations with respect to the approval of baricitinib in the United States for the treatment of moderate-to-severe rheumatoid arthritis, or the failure to obtain such approval as a first line therapy, as discussed under "Other Risks Relating to Our Business—We depend on our collaborators and licensees for the future development and commercialization of some of our drug candidates. Conflicts may arise between our collaborators and licensees and us, or our collaborators and licensees may choose to terminate their agreements with us, which may adversely affect our business," could affect potential future royalty and milestone and contract revenue.

RISKS RELATING TO INTELLECTUAL PROPERTY AND LEGAL MATTERS

If we are subject to arbitration, litigation and infringement claims, they could be costly and disrupt our drug discovery and development efforts.

The success of our drug discovery and development efforts will depend on our ability to develop new compounds, drugs and technologies without infringing or misappropriating the proprietary rights of others. The technology that we use to make and develop our drug products, the technology that we incorporate in our products, and the products we are developing may be subject to claims that they infringe the patents or proprietary rights of others. We are aware of patents and patent applications filed in certain countries claiming intellectual property relating to some of our drug discovery targets and drug candidates. While the validity of issued patents, patentability of pending patent applications and applicability of any of them to our programs are uncertain, if any of these patents are asserted against us or if we choose to license any of these patents, our ability to commercialize our products could be harmed or the potential return to us from any product that may be successfully commercialized could be diminished.

From time to time we have received, and we may in the future receive, notices from third parties offering licenses to technology or alleging patent, trademark, or copyright infringement, claims regarding trade secrets or other contract claims. Receipt of these notices could result in significant costs as a result of the diversion of the attention of management from our drug discovery and development efforts. Parties sending these notices may have brought and in the future may bring litigation against us or seek arbitration relating to contract claims.

We may be involved in future lawsuits or other legal proceedings alleging patent infringement or other intellectual property rights or contract violations. In addition, litigation or other legal proceedings may be necessary to:

- assert claims of infringement;
- enforce our patents or trademarks;

- protect our trade secrets or know-how; or
- determine the enforceability, scope and validity of the proprietary rights of others.

We may be unsuccessful in defending or pursuing these lawsuits, claims or other legal proceedings. Regardless of the outcome, litigation or other legal proceedings can be very costly and can divert management's efforts. An adverse determination may subject us to significant liabilities or require us or our collaborators or licensees to seek licenses to other parties' patents or proprietary rights. We or our collaborators or licensees may also be restricted or prevented from manufacturing or selling a drug or other product that we or they develop. Further, we or our future collaborators or licensees may not be able to obtain any necessary licenses on acceptable terms, if at all. If we are unable to develop non-infringing technology or license technology on a timely basis or on reasonable terms, our business could be harmed.

We may be unable to adequately protect or enforce our proprietary information, which may result in its unauthorized use, a loss of revenue under a collaboration agreement or loss of sales to generic versions of our products or otherwise reduce our ability to compete in developing and commercializing products.

Our business and competitive position depends in significant part upon our ability to protect our proprietary technology, including any drug products that we create. Despite our efforts to protect this information, unauthorized parties may attempt to obtain and use information that we regard as proprietary. For example, one of our collaborators may disclose proprietary information pertaining to our drug discovery efforts. In addition, while we have filed numerous patent applications with respect to our approved products and drug candidates in the United States and in foreign countries, our patent applications may fail to result in issued patents. In addition, because patent applications can take several years to issue as patents, there may be pending patent applications of others that may later issue as patents that cover some aspect of our approved products or drug candidates. Our existing patents and any future patents we may obtain may not be broad enough to protect our products or all of the potential uses of our products, or otherwise prevent others from developing competing products or technologies. In addition, our patents may be challenged and invalidated or may fail to provide us with any competitive advantages if, for example, others were first to invent or first to file a patent application for the technologies and products covered by our patents. As noted above under "Risks Relating to Commercialization of Our Products—Competition for our products could harm our business and result in a decrease in our revenue," potential generic drug company competitors have challenged certain patents relating to JAKAFI and OPZELURA.

Additionally, when we do not control the prosecution, maintenance and enforcement of certain important intellectual property rights, such as a drug candidate in-licensed to us or subject to a collaboration with a third-party, the protection of such intellectual property rights may not be in our hands. If we do not control the intellectual property rights in-licensed to us with respect to a drug candidate and the entity that controls such intellectual property rights does not adequately protect those rights, our rights may be impaired, which may impact our ability to develop, market and commercialize the in-licensed drug candidate.

Our means of protecting our proprietary rights may not be adequate, and our competitors may:

- independently develop substantially equivalent proprietary information, products and techniques;
- otherwise gain access to our proprietary information; or
- design around patents issued to us or our other intellectual property.

We pursue a policy of having our employees, consultants and advisors execute proprietary information and invention agreements when they begin working for us. However, these agreements may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. If we fail to maintain trade secret and patent protection, our potential future revenues may be decreased.

If the effective term of our patents is decreased or if we need to refile some of our patent applications, the value of our patent portfolio and the revenues we derive from it may be decreased.

The value of our patents depends, in part, on their duration. A shorter period of patent protection could lessen the value of our rights under any patents that we obtain and may decrease the revenues we derive from our patents. U.S. patent laws provide a term of patent protection of 20 years from the earliest effective filing date of the patent application. Because the time from filing to issuance of biotechnology applications may be more than three years depending on the subject matter, a 20-year patent term from the filing date may result in substantially shorter patent protection.

Additionally, U.S. patent laws were amended in 2011 with the enactment of the America Invents Act and third parties are now able to challenge the validity of issued U.S. patents through various review proceedings; thus rendering the validity of U.S. patents more uncertain. We may be obligated to participate in review proceedings to determine the validity of our U.S. patents. We cannot predict the ultimate outcome of these proceedings, the conduct of which could result in substantial costs and diversion of our efforts and resources. If we are unsuccessful in these proceedings some or all of our claims in the patents may be narrowed or invalidated and the patent protection for our products and drug candidates in the United States could be substantially shortened. Further, if all of the patents covering one of our products are invalidated, the FDA could approve requests to manufacture a generic version of that product prior to the expiration date of those patents.

Other changes in U.S. patent laws or changes in the interpretation of patent laws could diminish the value of our patents or narrow the scope of our patent protection. For example, the Supreme Court of the United States resolved a split among the circuit courts of appeals regarding antitrust challenges to settlements of patent infringement lawsuits under the Hatch-Waxman Act between brand-name drug companies and generic drug companies. The Court rejected the “scope of the patent” test and ruled that settlements involving “reverse payments” from brand-name drug companies to generic drug companies should be analyzed under the rule of reason. This ruling may create uncertainty and make it more difficult to settle patent litigation if a company seeking to manufacture a generic version of one of our products challenges the patents covering that product prior to the expiration date of those patents.

International patent protection is particularly uncertain and costly, and our involvement in opposition proceedings in foreign countries may result in the expenditure of substantial sums and management resources.

Biotechnology and pharmaceutical patent law outside the United States is even more uncertain and costly than in the United States and is currently undergoing review and revision in many countries. Further, the laws of some foreign countries may not protect our intellectual property rights to the same extent as U.S. laws. For example, certain countries do not grant patent claims that are directed to the treatment of humans. We have participated, and may in the future participate, in opposition proceedings to determine the validity of our foreign patents or our competitors’ foreign patents, which could result in substantial costs and diversion of our efforts. Successful challenges to our patent or other intellectual property rights through these proceedings could result in a loss of rights in the relevant jurisdiction and allow third parties to use our proprietary technologies without a license from us or our collaborators, which may also result in loss of future royalty payments. In addition, successful challenges may jeopardize or delay our ability to enter into new collaborations or commercialize potential products, which could harm our business and results of operations.

RISKS RELATING TO INFORMATION TECHNOLOGY AND DATA PRIVACY

Significant disruptions of information technology systems, breaches of data security, or unauthorized disclosures of personal information (including sensitive personal information) could adversely affect our business, and could subject us to liability or reputational damage.

Our business is increasingly dependent on critical, complex, and interdependent information technology ("IT") systems, including Internet-based systems, some of which are managed or hosted by third parties, to support business processes as well as internal and external communications. The size and complexity of our IT systems make our IT systems and data vulnerable to risks and damages from a variety of sources, including malicious human acts, breaches of security, cyber-attacks, catastrophe or natural disaster, telecommunications or network failures, loss of power or other natural or man-made events. In addition, despite network security and back-up measures, we and our vendors frequently defend against and respond to data security attacks and incidents, and our servers and our vendors' servers are potentially susceptible to physical or electronic break-ins, computer viruses, software vulnerabilities, ransomware attacks and similar disruptive problems. If our business continuity and disaster recovery plans and procedures or those of our vendors, including our CROs and contract manufacturers, were disrupted, inadequate or unsuccessful in the event of a problem, we could experience an interruption of all or a portion of our operations, which could result in significant harm to our business, financial results and reputation. In addition, having a portion of our employees work remotely can strain our IT infrastructure, which may affect our ability to operate effectively, may make us more susceptible to communications disruptions, and expose us to greater cybersecurity risks.

We are continuously evaluating and, where appropriate, enhancing our IT systems to address our planned growth, including to support our manufacturing operations. There are inherent costs and risks associated with implementing enhancements to our IT systems, including potential delays in access to, or errors in, critical business and financial information, substantial capital expenditures, additional administrative time and operating expenses, retention of sufficiently skilled personnel to implement and operate the enhanced systems, demands on management time, and costs of delays or difficulties in transitioning to the enhanced systems, any of which could harm our business and results of operations. In addition, the implementation of enhancements to our IT systems may not result in productivity improvements at a level that outweighs the costs of implementation, or at all.

In addition, our systems and the systems of our third-party providers and collaborators are potentially vulnerable to data security breaches which may expose sensitive data to unauthorized persons or to the public. Such data security breaches could lead to the loss of confidential information, trade secrets or other intellectual property, could lead to the public exposure of personal information of our employees, clinical trial patients, customers, business partners, and others, could lead to potential identity theft, or could lead to reputational harm. Data security breaches could also result in loss of clinical trial data or damage to the integrity of that data. Malicious cyber attacks are growing in frequency and sophistication, including the use of artificial intelligence, and can be made by groups and individuals with a wide range of motives, including nation states, organized criminal groups, "hacktivists" and others acting with malicious intent. In addition, the increased use of social media by our employees and contractors could result in inadvertent disclosure of sensitive data or personal information, including but not limited to, confidential information, trade secrets and other intellectual property.

Any such disruption or security breach, as well as any action by us or our employees or contractors that might be inconsistent with the rapidly evolving data privacy and security laws and regulations applicable within the United States and elsewhere where we conduct business, could result in enforcement actions by U.S. states, the U.S. federal government or foreign governments, liability or sanctions under data privacy laws, including healthcare laws such as the Health Insurance Portability and Accountability Act, that protect certain types of sensitive information, regulatory penalties, other legal proceedings such as but not limited to private litigation, the incurrence of significant remediation costs, disruptions to our development programs, business operations and collaborations, diversion of management efforts and damage to our reputation, which could harm our business and operations. Because of the rapidly moving nature of technology and the increasing sophistication of cybersecurity threats, our measures to prevent, respond to and minimize such risks may be unsuccessful.

Disruptions or data security breaches within other healthcare companies could also affect our business, results of operations and financial condition. If systems used by healthcare providers, third-party payors and companies in our distribution network such as PBMs, pharmacies and wholesalers are disrupted by a data security breach, the ability to process claims and fulfill prescriptions could be impacted, which could result in adverse effects on our net product revenues.

Further, many countries and jurisdictions in which we work globally have enacted or are proposing privacy and data protection laws and regulations which govern the collection and use of personal information and which may impose large fines and penalties for noncompliance. For example, in the EU under the General Data Protection Regulation, potential fines for noncompliance are up to €20 million or 4% of annual global revenue, whichever is greater. Further, some jurisdictions provide for private rights of action if data breaches result in the loss or theft of personal data. These laws and regulations may also require, as applicable, that we:

- ensure individuals to whom personal information relates are informed about how their personal information is collected and processed;
- keep personal information confidential and secure;
- transfer personal information in a compliant manner;
- respond to requests from individuals about their personal information; and
- inform authorities and individuals as may be applicable about any data breaches.

These obligations may increase our costs of doing business and the varying requirements among all countries and jurisdictions in which we work can complicate our compliance efforts.

Increasing use of social media could give rise to liability, breaches of data security, or reputational damage.

We and our employees are increasingly using social media tools as a means of communication both internally and externally. Despite our efforts to monitor evolving social media communication, our internal guidelines regarding the appropriate use of social media technology and applicable and emerging rules, there is risk that the use of these tools by us or our employees may cause us to be found in violation of applicable requirements. In addition, our employees may knowingly or inadvertently make use of these tools in ways that may not comply with our policies or other legal or contractual requirements, which may give rise to liability, lead to the loss of trade secrets or other intellectual property, or result in public exposure of personal information of our employees, patients, customers, and others. Furthermore, negative posts or comments about us or our products in social media could seriously damage our reputation, brand image, and goodwill.

Increasing use of artificial intelligence-based software and tools creates new risks and challenges that could adversely affect our business or cause reputational harm.

The use of artificial intelligence is increasing in the biopharmaceutical industry for research, marketing, manufacturing and commercialization purposes, and we anticipate increasing our use of technology that incorporates artificial intelligence in the future. As with many developing technologies, artificial intelligence presents risks and challenges that could affect its further development, adoption and use, which could affect our business. If the analyses that artificial intelligence applications assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm. Use of artificial intelligence may also lead to the release of confidential proprietary information, which may impact our ability to realize the benefit of our intellectual property.

Additionally, failures or disruptions in any artificial intelligence functionality we incorporate into our business activities or products could adversely impact our business or result in delays or errors. Conversely, any failure to successfully develop and deploy artificial intelligence in our business activities or products could adversely affect our competitiveness (particularly if our competitors successfully deploy artificial intelligence in their businesses, products and services), and the development and deployment of artificial intelligence will require additional investment and increase our costs. The use of artificial intelligence is subject to rapidly evolving laws and regulations. Compliance with these laws and regulations may impose operational costs and limit our ability to use artificial intelligence-based software and tools, and failure to comply may result in potential government actions, litigation, fines, penalties, and brand or reputational harm.

Item 5. Other Information

(a) On April 28, 2026, the Company announced that it has appointed Suketu Upadhyay as Executive Vice President and Chief Financial Officer of the Company, effective as of May 4, 2026.

Mr. Upadhyay, age 57, previously served as Chief Financial Officer and Executive Vice President, Finance, Operations & Supply Chain of Zimmer Biomet, a medical device company. He was appointed to this role in August 2023, having first joined Zimmer Biomet in 2019 as Executive Vice President and Chief Financial Officer. Prior to joining Zimmer Biomet, Mr. Upadhyay served as Senior Vice President, Global Financial Operations at Bristol Myers Squibb ("BMS") from November 2016 until June 2019, where he was responsible for strategic and operational initiatives across BMS's supply chain, commercial operations, R&D and business development. Prior to that, he served as Executive Vice President and Chief Financial Officer of Endo International and as an executive in various global finance and strategy leadership roles at BD (Becton, Dickinson and Company), including Interim Chief Financial Officer, Chief Accounting Officer and CFO of International. In addition, Mr. Upadhyay has also held several global finance and strategy roles at AstraZeneca and Johnson & Johnson, including R&D, supply chain, commercial operations and business development. Mr. Upadhyay spent the early part of his career in public accounting with KPMG, earning his CPA and CMA designations. He currently serves as a member of the board of directors for Vertex Pharmaceuticals, a publicly traded company, as well as CSC (Corporate Services Company), a privately held business solutions company. Mr. Upadhyay holds a Bachelor of Science in Finance from Albright College and an M.B.A. from The Fuqua School of Business at Duke University.

Mr. Upadhyay's employment will be on an at-will basis. As Executive Vice President and Chief Financial Officer of the Company, Mr. Upadhyay will receive a base salary of $850,000 and will have a target cash bonus opportunity under the Company's annual incentive compensation plan equal to 60% of his base salary. Upon commencement of employment, Mr. Upadhyay will receive (i) a $500,000 signing bonus, (ii) a performance share award for a target number of shares of the Company's common stock calculated by dividing $1,250,000 by the average closing price of the common stock for the thirty trading days ending on and including the trading day immediately preceding the date of grant (the "Grant Date Average Price") (and rounding down to the nearest whole share), which cliff vests on the third anniversary of the grant date, will be subject to the same terms as those performance awards issued to the Company's other executive officers in mid-July 2025 in connection with the Company's annual equity award grants, and can be earned at 0-200% of target based on the Company's relative total share return ("TSR") performance over a three-year performance period beginning on January 1, 2025 as compared to the TSR of companies in the same fixed peer group that was used for the Company's July 2025 annual performance share awards to its other executive officers, (iii) a stock option award to acquire the number of shares of the Company's common stock calculated by dividing $1,250,000 by the Black Scholes value of such option determined based on the Grant Date Average Price (and rounding down to the nearest whole share) and, consistent with the Company's stock option awards to its executive officers, with a term of ten years and becoming exercisable as to one-fourth of the shares on the first anniversary of the date of grant, with the remaining shares vesting ratably each month thereafter over the following three years, with vesting subject to acceleration under certain circumstances relating to a change in control of the Company, and (iv) a grant of restricted stock units ("RSUs") to acquire the number of shares of the Company's common stock calculated by dividing $2,500,000 by the Grant Date Average Price (and rounding down to the nearest whole share), which RSUs will vest in equal installments on each of the first four anniversaries of the grant date, with vesting subject to acceleration under certain circumstances relating to a change in control of the Company.

Upon employment, in accordance with the Company's customary practice, Mr. Upadhyay will enter into an employment agreement on the same form as the Company's employment agreements with its other Executive Vice Presidents. Mr. Upadhyay's employment agreement will provide for certain payments and benefits in the event of termination of employment with the Company in connection with a change in control of the Company. A description of the Company's employment agreements with its Executive Vice Presidents is set forth in the Company's proxy statement on Schedule 14A for its annual meeting of stockholders held on June 10, 2025 under the caption "Executive Compensation—Termination of Employment and Change-in-Control Arrangements—Agreements with Other Named Executive Officers" and is incorporated herein by reference. In accordance with the Company's customary practice, the Company and Mr. Upadhyay will also enter into an indemnity agreement, which requires the Company to indemnify Mr. Upadhyay against certain liabilities that may arise in connection with his status or service as an officer. The foregoing descriptions are respectively qualified in their entirety by the full text of the form of employment agreement, which has been filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012), and the form of indemnity agreement, which has been filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 33-68138)).

There are no arrangements or understandings between Mr. Upadhyay and any other persons pursuant to which he was selected as Executive Vice President and Chief Financial Officer. Mr. Upadhyay has no family relationships with any of the Company's directors or executive officers, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

(c) During the three months ended March 31, 2026, the following director and officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934 (the "Exchange Act")) of our Company adopted a prearranged trading plan relating to our common stock and intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act:

Paul Clancy, a director, adopted a trading plan on February 12, 2026 providing for the sale of up to an aggregate of 15,000 shares of our common stock until February 12, 2027.

Thomas Tray, our Vice President, Chief Accounting Officer, adopted a trading plan on February 24, 2026 providing for the sale of up to an aggregate of 4,690 shares of our common stock until February 24, 2027.

Steven Stein, our Chief Medical Officer and Head of Late-Stage Development, adopted a trading plan on March 16, 2026 providing for the sale of up to an aggregate of 207,534 shares of our common stock until March 17, 2027.

During the three months ended March 31, 2026, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of our Company adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities, whether or not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), other than as set forth above.

Item 6. Exhibits

Exhibit Number	Description of Document
31.1*	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) Certification of Principal Financial Officer.
32.1**	Statement of the Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
32.2**	Statement of the Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101.INS*	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Presentation Linkbase Document.
101.DEF*	XBRL Taxonomy Definition Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

** In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release No. 34-47986, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act.

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.

INCYTE CORPORATION

Dated: April 28, 2026

By: /s/ WILLIAM J. MEURY

William J. Meury
Chief Executive Officer
(Principal Executive Officer)

Dated: April 28, 2026

By: /s/ THOMAS TRAY

Thomas Tray
Vice President and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, William J. Meury, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Incyte Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ WILLIAM J. MEURY

William J. Meury
Chief Executive Officer

April 28, 2026

Exhibit 31.2

CERTIFICATION

I, Thomas Tray, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Incyte Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ THOMAS TRAY

Thomas Tray
Vice President and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)
April 28, 2026

Exhibit 32.1

STATEMENT PURSUANT TO
18 U.S.C. SECTION 1350

With reference to the Quarterly Report of Incyte Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Meury, Chief Executive Officer of the Company, certify, for the purposes of 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ WILLIAM J. MEURY

William J. Meury
Chief Executive Officer
April 28, 2026

Exhibit 32.2

STATEMENT PURSUANT TO
18 U.S.C. SECTION 1350

With reference to the Quarterly Report of Incyte Corporation (the "Company") on Form 10-Q for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas Tray, Principal Financial Officer of the Company, certify, for the purposes of 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ THOMAS TRAY

Thomas Tray
Vice President and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)
April 28, 2026