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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(mark one)

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

For the fiscal year ended December 31, 2025 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 of other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1801 Augustine Cut-Off Wilmington, DE	**19803**
(Address of principal executives 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

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of Common Stock held by non-affiliates (based on the closing sale price on The Nasdaq Global Select Market on June 30, 2025) was approximately $11.2 billion.

As of February 3, 2026 there were 199,014,486 shares of Common Stock, $.001 par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Items 10 (as to directors and Section 16(a) Beneficial Ownership Reporting Compliance), 11, 12, 13 and 14 of Part III incorporate by reference information from the registrant's proxy statement to be filed with the Securities and Exchange Commission in connection with the solicitation of proxies for the registrant's 2026 Annual Meeting of Stockholders to be held on June 8, 2026.

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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 Part I of this Annual Report on Form 10-K.*

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 Annual Report on Form 10-K.

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 JAKAFI/JAKAVI (ruxolitinib), and if we are not able 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 and other third-party payors, our results of operations and financial condition could be harmed.
- A limited number of specialty pharmacies and wholesalers represent a significant portion of revenues from JAKAFI and most of our other products, and the loss of, or significant reduction in sales to, any one of these specialty pharmacies or wholesalers could harm 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 discovering and developing drug candidates, and we may spend significant time and money attempting to do so, in particular with our later stage drug candidates.
- If we or our collaborators are unable to obtain regulatory approval in and outside of the United States for drug candidates, we and our collaborators will be unable to commercialize those drug candidates.
- 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.
- Conflicts between us and our collaborators or the termination of our collaboration agreements could limit future development and commercialization of our drug candidates and harm our business.
- If we are unable to establish collaborations to fully exploit our drug discovery and development capabilities or if such collaborations are unsuccessful, our future revenue prospects could be diminished.
- If we fail to enter into additional in-licensing agreements or if these arrangements are unsuccessful, we may be unable to increase our number of successfully marketed products and our revenues.
- Business disruptions, including those resulting from public health pandemics, natural disasters and other geopolitical events, could adversely affect our business and results of operations.
- Even if one of our drug candidates receives regulatory approval, we may determine that commercialization would not be worth the investment.
- 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 others to manufacture our drug products and drug candidates could result in drug supply constraints, delays in clinical trials, increased costs, and withdrawal or denial of regulatory approvals.

- 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.
- If we lose any of our key employees or are unable to attract and retain additional personnel, our business and ability to achieve our objectives could be harmed.
- 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 the use of our products harms or is perceived to harm patients or product liability lawsuits are brought against us, our regulatory approvals could be revoked or negatively impacted and we could face substantial liabilities, which may require us 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 expect to continue to incur significant expenses to discover and develop drugs, which could result in future losses and impair our ability to achieve sustained profitability in the future.
- If we are unable to raise additional capital in the future when we require it, our efforts to broaden our product portfolio or commercialization efforts could be limited.
- Our marketable securities and equity investments are subject to risks that could adversely affect our overall financial position, and tax law changes could adversely affect our results of operations and financial condition.
- If we are unable to achieve milestones, develop product candidates to license or renew or enter into new collaborations, our royalty and milestone revenues and future prospects for those revenues may decrease.
- Any arbitration or litigation involving us and regarding intellectual property infringement claims could be costly and disrupt our drug discovery and development efforts.
- Our inability to adequately protect or enforce our proprietary information may result in loss of revenues or otherwise reduce our ability to compete.
- 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 sensitive data could harm our business and subject us to liability or reputational damage.
- Increasing use of social media and new technology, including artificial intelligence, could give rise to liability, breaches of data security or reputational damage, which could harm our business and results of operations.

Item 1. *Business*

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. The initiation of a Phase 3 trial evaluating INCA033989 in ET is anticipated 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. A Phase 1 trial initiation is anticipated in the first quarter of 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. 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 early 2027. 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 submitted for presentation 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 (retifanlimab-dlwr) 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. We submitted a Type II variation Marketing Authorization Application ("MAA") to the European Medicines Agency ("EMA") and, in January 2026, we announced that the Committee for Medicinal Products for Human Use ("CHMP") issued a positive opinion for 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 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. A Phase 3 study evaluating INCB161734 in combination with standard-of-care chemotherapy in first-line patients with metastatic PDAC is anticipated to initiate in the first quarter 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 in first-line MSS CRC was initiated.

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 by the end of 2026. The acceptance by the FDA of our NDA submission for povorcitinib in HS is anticipated in the first quarter of 2026, with potential approval by early 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 in participants with extensive nonsegmental vitiligo (≥5% BSA) were initiated in late 2023. Data from the Phase 3 studies are anticipated by mid-2026.

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 May 2022, we initiated a Phase 2 trial evaluating zilurgisertib (INCB00928) in patients with fibrodysplasia ossificans progressiva ("FOP"), a disorder in which muscle tissue and connective tissue are gradually replaced by bone. The FDA has granted Fast Track designation and orphan drug designation to zilurgisertib as a treatment for patients with FOP.

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.

Incyte's Approach to Drug Discovery and Development

Our productivity in drug discovery is driven by our core expertise in medicinal chemistry and biologics, which are closely integrated with, and supported by, an experienced team of chemists, biologists, biochemists, and pharmaceutical scientists across a range of scientific and therapeutic areas. Recently, the scope of these competencies has been expanded beyond small and large molecules to encompass degraders as well as bispecific and multispecific antibodies.

To fulfill our mission of discovering and advancing novel therapeutics that address significant unmet medical needs, we have established comprehensive in-house discovery capabilities. These include target identification and validation, high-throughput screening, medicinal chemistry, protein sciences and technology, computational and AI-guided drug discovery, structural biology, pharmacology, translational sciences, drug metabolism and pharmacokinetics, bioanalysis, and toxicology assessment. We further enhance these capabilities through strategic collaborations with academic institutions, contract research organizations ("CROs"), and biotechnology companies with relevant expertise.

Our pipeline has expanded through a discovery process centered around specific targets and pathways, with current emphasis on targeted oncology, myeloid diseases, and dermatology. We conduct a limited number of discovery programs in parallel at any one time. This focus allows us to allocate resources to our selected programs at a level that we believe is competitive with larger pharmaceutical companies. We resource our discovery efforts with the goals of maximizing information content when and where we need it and ensuring that each program, regardless of stage, is executed in the most efficient and data-rich manner possible. We believe this focused strategy has substantially contributed to the strength and progress of our discovery portfolio.

Once our compounds reach clinical development, our objective is to rapidly advance the lead candidate into a proof-of-concept clinical trial. This allows us to evaluate both its therapeutic potential and underlying mechanism of action. To this end, the discovery team operates in concert with our global technical operations and development groups, whose areas of expertise include drug manufacturing, regulatory affairs, trial design, statistics, pharmacovigilance, project management, and medical affairs.

These teams collaborate to assess clinical compound development opportunities, select optimal indication(s), and create plans for regulatory advancement, clinical trial management, and patient safety. Our organization works together with CROs, expert scientific advisory boards, and leading consultants with the objective of ensuring that our clinical trials are efficient, effective, and compliant with regulations.

Incyte's Commercial Strategy

Our strategy is to develop and commercialize compounds that we have internally discovered or have acquired rights to in the markets where we believe that we can successfully compete. We currently commercialize six compounds in the United States, three in Europe and one in Japan. These commercialized products are sold to specialty and retail pharmacies, specialty distributors and wholesalers in the United States in addition to retail pharmacies, hospital pharmacies, distributors and an exclusive wholesaler outside of the United States. We continue to expand our marketing, medical and operational infrastructure both within and outside the United States to support the commercial launch of recently approved products and to prepare for potential approval of other products.

For certain compounds, we have established and may in the future establish collaborations or strategic relationships to support development and commercialization in certain territories or therapeutic areas where we do not have or do not want to build expertise. We believe the key benefits to entering into such strategic relationships include the potential to expedite the development and commercialization of certain of our compounds, as well as the opportunity to receive upfront payments and future milestones and royalties in exchange for certain rights to those compounds. Refer to the "License Agreements and Business Relationships" section above for information regarding our collaborations and strategic relationships.

Patents, Other Intellectual Property, and Product Exclusivity

We regard the protection of patents and other enforceable intellectual property rights that we own or license as critical to our business and competitive position. Accordingly, we rely on patent, trademark, trade secret and copyright law, as well as nondisclosure and other contractual arrangements, to protect our intellectual property. We have established a patent portfolio of patents and patent applications owned or licensed by us that cover aspects of our drug products and drug candidates. Our policy is to pursue patent applications on inventions and discoveries that we believe are commercially important to the development and growth of our business. As a general matter, we endeavor to obtain patent term extensions ("PTEs") in the United States and Japan, and other countries where available, and supplementary protection certificates ("SPCs") in each European country, upon approval by the respective regulatory agency, if patent rights are granted in such country.

The following table sets forth the year in which the basic exclusivity loss is currently estimated to occur in the United States, the European Union, and Japan for each of our approved drug products and for those compounds in our portfolio that have been submitted to regulatory authorities seeking approval or are in registration-directed clinical trials. We refer to the basic exclusivity loss as the "Estimated Minimum Market Exclusivity Date," which is, unless otherwise indicated, the later of (i) the expiration date of the earliest anticipated expiring composition of matter patent rights, or (ii) the date of regulatory data protection ("RDP") loss for such product or clinical candidate. There may be additional patents for our approved drug products that claim the drug product or a method of using it that are listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book)—or for our unapproved clinical candidates that will be eligible to be listed in the Orange Book upon FDA approval. Therefore, the table below also identifies the expiration dates of certain additional patents that are Orange-Book listed for our approved drug products—or that, for our unapproved clinical candidates, are eligible for Orange-Book listing upon product approval—in the United States, as well as the expiration dates of certain related patents in the European Union, and Japan, which we refer to as the "Additional Patents Expiry Dates."

Product/Drug Candidate[1,2]		US	EU	Japan
JAKAFI/JAKAVI (ruxolitinib)	Estimated Minimum Market Exclusivity Dates	2028	2028	2028
	Additional Patents Expiry Dates[3]	2028	2028	2028
OPZELURA (ruxolitinib) cream	Estimated Minimum Market Exclusivity Dates	2028	2028	2028
	Additional Patents Expiry Dates[3,4]	2028, 2031 & 2040	2028 & 2031	2028 & 2031
OLUMIANT (baricitinib)	Estimated Minimum Market Exclusivity Dates	2032[5]	2032	2034
	Additional Patents Expiry Dates	-	-	-
TABRECTA (capmatinib)	Estimated Minimum Market Exclusivity Dates	2032[5]	2032[6]	2032
	Additional Patents Expiry Dates	2035	2037	2035
PEMAZYRE (pemigatinib)	Estimated Minimum Market Exclusivity Dates	2035	2036[6]	2036
	Additional Patents Expiry Dates	2039 & 2040	-	-
ICLUSIG (ponatinib)	Estimated Minimum Market Exclusivity Dates	-	2028	-
	Additional Patents Expiry Dates	-	-	-
ZYNYZ (retifanlimab)[8]	Estimated Minimum Market Exclusivity Dates	2036	2036	2036
MONJUVI (tafasitamab)[9]	Estimated Minimum Market Exclusivity Dates	2033[5]	2032[6]	2027
NIKTIMVO (axatilimab)[10]	Estimated Minimum Market Exclusivity Dates	2036[7]	2034	2034
ruxolitinib XR	Estimated Minimum Market Exclusivity Dates	2028	-	-
	Additional Patents Expiry Dates[3,11]	2028, 2033 & 2034	-	-
povorcitinib	Estimated Minimum Market Exclusivity Dates	2034	2034	2034
	Additional Patents Expiry Dates	2039	2039	2039

1. Estimated Minimum Market Exclusivity Dates are subject to the payment of maintenance fees, and include the period of PTE that has been granted by the respective regulatory agency, where applicable, or include the period of anticipated SPC term for approved products in the EU, where applicable, even though SPCs may remain pending in some countries, and also may include the period of granted or anticipated pediatric extensions even through applications for pediatric extension may remain pending in some countries.
2. For approved drug products in the US, the brand name for the US product is used, whereas for candidates that have not been approved in the US, the name of the active ingredient is used. The use of a brand name in the table does not indicate that the product has also been approved in any country outside of the US. Also, some products may be approved in one or more countries outside of the US under different brand names.
3. Ruxolitinib phosphate salt patents are issued in the US, the EU, and Japan with anticipated expiration dates of late-2028 in the US and mid-2028 in the EU and Japan.
4. Ruxolitinib cream formulation patents are issued in the US, the EU, and Japan with anticipated expiration dates of 2031 in each jurisdiction. Patents are also issued in the US for the treatments of atopic dermatitis and vitiligo with expiration dates of 2040.
5. Date reflects the grant of PTE in the US.
6. Date reflects the grant of SPC in the EU, although SPCs may remain pending in some countries.
7. Date reflects the RDP in the US due to product approval.
8. Retifanlimab licensed from MacroGenics, Inc.
9. Tafasitamab licensed from Xencor, Inc.
10. Axatilimab licensed from Syndax Therapeutics, Inc.
11. QD ruxolitinib formulation patents are issued in the US with anticipated expiration dates of 2033 and 2034.

Patents extend for varying periods according to the date of patent filing or grant and the legal term of patents in the various countries where patent protection is obtained. The actual protection afforded by a patent, which can vary from country to country, depends on the type of patent, the scope of its coverage and the availability of legal remedies in the country.

We may seek to license rights relating to technologies, drug candidates or drug products in connection with our drug discovery and development programs and commercialization activities. Under these licenses, such as our licenses from ARIAD/Takeda, Enable Injections, MacroGenics, Merus, Xencor and Syndax, we may be required to pay up-front fees, license fees, milestone payments and royalties on sales of future products.

Although we believe our rights under patents and patent applications provide a competitive advantage, the patent positions of pharmaceutical and biotechnology companies are highly uncertain and involve complex legal and factual questions. We may not be able to develop patentable products or processes and may not be able to obtain patents in the United States or elsewhere from pending applications. Even if patent claims are allowed, the claims may not issue, or in the event of issuance, may not be valid or enforceable or may not be sufficient to protect the technology owned by or licensed to us or provide us with a competitive advantage. Any patent or other intellectual property rights that we own or obtain may be circumvented, challenged or invalidated by our competitors. Others may have patents that relate to our business or technology, and that may prevent us from marketing our drug candidates unless we are able to obtain a license to those patents. In addition, litigation or other proceedings may be necessary to defend against claims of infringement, to enforce patents, to protect our other intellectual property rights, to determine the scope and validity of the proprietary rights of third parties, or to defend ourselves in patent or other intellectual property right suits brought by third parties. We could incur substantial costs in such litigation or other proceedings. An adverse outcome in any such litigation or proceeding could subject us to significant liability or increased competition. A discussion of certain risks and uncertainties that may affect our patents, regulatory exclusivities or other proprietary rights is set forth in Item 1A. "Risk Factors — Risks Relating to Intellectual Property and Legal Matters," and the discussion of legal proceedings related to certain patents is set forth in 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 revenue."

With respect to proprietary information that is not patentable, and for inventions for which patents are difficult to enforce, we rely on trade secret protection and confidentiality agreements to protect our interests. While, as a general matter, we seek to protect our interests by entering into confidentiality agreements with our employees, consultants and potential business partners, we may not be able to adequately protect our trade secrets or other proprietary information. Others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets.

Competition

Our drug discovery, development and commercialization activities face, and will continue to face, intense competition from organizations such as pharmaceutical and biotechnology companies, as well as academic and research institutions and government agencies. We face significant competition from organizations, particularly fully integrated pharmaceutical companies, that are pursuing pharmaceuticals that are competitive with our drug products and our drug candidates.

Many companies and institutions, either alone or together with their collaborative partners, have substantially greater financial resources, larger drug discovery, development and commercial staffs and significantly greater experience than we do in:

- drug discovery;
- developing products;
- undertaking preclinical testing and clinical trials;
- obtaining FDA and other regulatory approvals of products; and
- manufacturing, marketing, distributing and selling products.

Accordingly, our competitors may succeed in obtaining patent protection, receiving FDA and other regulatory approval or commercializing products that compete with our drug products or our drug candidates.

In addition, any drug candidate that we successfully develop may compete with existing therapies that have long histories of safe and effective use. Competition may also arise from:

- other drug development technologies and methods of preventing or reducing the incidence of disease;
- new compounds; or
- other classes of therapeutic agents.

We face and will continue to face intense competition from other companies for collaborative arrangements with pharmaceutical and biotechnology companies, for establishing relationships with academic and research institutions and for licenses to drug candidates or proprietary technology. These competitors, either alone or with their collaborative partners, may succeed in developing products that are more effective or commercially successful than ours.

Our ability to compete successfully will depend, in part, on our ability to:

- develop proprietary products;
- develop and maintain products that reach the market first, are technologically superior to and/or are of lower cost than other products in the market;
- execute our strategic plan and commercialize new assets;
- attract and retain scientific, product development and sales and marketing personnel;
- obtain patent or other proprietary protection for our products and technologies;
- obtain required regulatory approvals; and
- manufacture, market, distribute and sell any products that we develop.

In a number of countries, including in particular developing countries, government officials and other groups have suggested that pharmaceutical companies should make drugs available at a low cost. In some cases, governmental authorities have indicated that where pharmaceutical companies do not do so, their patents might not be enforceable to prevent generic competition. Some major pharmaceutical companies have greatly reduced prices for their drugs in certain developing countries. If certain countries do not permit enforcement of any of our patents, sales of our products in those countries, and in other countries by importation from low-price countries, could be reduced by generic competition or by parallel importation of our product. Alternatively, governments in those countries could require that we grant compulsory licenses to allow competitors to manufacture and sell their own versions of our products in those countries, thereby reducing our product sales, or we could respond to governmental concerns by reducing prices for our products. In all of these situations, our results of operations could be adversely affected.

Government Regulation

Our ongoing research and development activities and any manufacturing and marketing of our approved drug products and our drug candidates are subject to extensive regulation by numerous governmental authorities in the United States and other countries. Before marketing in the United States, any drug developed by us must undergo rigorous preclinical testing, clinical trials, and an extensive regulatory clearance process implemented by the FDA under the United States Food, Drug, and Cosmetic Act and its implementing regulations and, in the case of biologics, the Public Health Service Act. The FDA regulates, among other things, the research, development, testing, manufacture, safety, efficacy, record-keeping, labeling, storage, approval, advertising, promotion, sale and distribution and import and export, of these products.

FDA Review and Approval Process

The regulatory review and approval process is lengthy, expensive and uncertain. The steps generally required before a drug may be marketed in the United States include:

- preclinical laboratory tests, animal studies and formulation studies in compliance with the FDA's Good Laboratory Practice and Good Manufacturing Practice regulations;
- submission to the FDA of an Investigational New Drug application ("IND") for human clinical testing, which must become effective before human clinical trials may commence;
- performance of adequate and well-controlled clinical trials in three phases, as described below, to establish the safety and efficacy of the drug for each indication;

- submission of an NDA or Biologics License Application ("BLA") to the FDA for review;
- random inspections of clinical sites to ensure validity of clinical safety and efficacy data;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug is produced to assess compliance with current good manufacturing practices;
- FDA approval of the NDA or BLA; and
- payment of user and program fees, if applicable.

Similar requirements exist within foreign agencies as well. The time required to satisfy FDA requirements or similar requirements of foreign regulatory agencies may vary substantially based on the type, complexity and novelty of the product or the targeted disease.

Preclinical testing includes laboratory evaluation of product pharmacology, drug metabolism and toxicity, which includes animal studies, to assess potential safety and efficacy as well as product chemistry, stability, formulation, development, and testing. The results of the preclinical tests, together with manufacturing information and analytical data, are submitted to the FDA as part of an IND. An IND will automatically become effective 30 days after receipt by the FDA, unless before that time, the FDA raises safety concerns or questions about the conduct of the clinical trial(s) included in the IND. In the latter case, the IND sponsor and the FDA must resolve any outstanding FDA concerns or questions before clinical trials can proceed. We cannot be sure that submission of an IND will result in the FDA allowing clinical trials to commence.

Clinical trials involve the administration of the investigational drug to human subjects under the supervision of qualified investigators and in accordance with Good Clinical Practice ("GCP") regulations covering the protection of human subjects. These regulations require all research subjects to provide informed consent. Clinical trials are conducted under protocols detailing the objectives of the study, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated. Each protocol must be submitted to the FDA as part of the IND and each trial must be reviewed and approved by an institutional review board ("IRB") before it can begin.

Clinical trials typically are conducted in three sequential phases, but the phases may overlap or be combined. Phase 1 usually involves the initial introduction of the investigational drug into healthy volunteers to evaluate its safety, dosage tolerance, absorption, metabolism, distribution and excretion. Phase 2 usually involves clinical trials in a limited patient population to evaluate dosage tolerance and optimal dosage, identify possible adverse effects and safety risks, and evaluate and gain preliminary evidence of the efficacy of the drug for specific indications. Phase 3 clinical trials usually further evaluate clinical efficacy and safety by testing the drug in its final form in an expanded patient population, providing statistical evidence of efficacy and safety, and providing an adequate basis for labeling. We cannot guarantee that Phase 1, Phase 2 or Phase 3 testing will be completed successfully within any specified period of time, if at all. Furthermore, we, the IRB, or the FDA may suspend clinical trials at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk.

As a separate amendment to an IND, a clinical trial sponsor may submit to the FDA a request for a Special Protocol Assessment ("SPA"). Under the SPA procedure, a sponsor may seek the FDA's agreement on the design and size of a clinical trial intended to form the primary basis of an effectiveness claim. If the FDA agrees in writing, its agreement may not be changed after the trial begins except in limited circumstances, such as when a substantial scientific issue essential to determining the safety and effectiveness of a drug candidate is identified after a Phase 3 clinical trial is commenced and agreement is obtained with the FDA. If the outcome of the trial is successful, the sponsor will ordinarily be able to rely on it as the primary basis for approval with respect to effectiveness. However, additional trials could also be requested by the FDA to support approval, and the FDA may make an approval decision based on a number of factors, including the degree of clinical benefit as well as safety. The FDA is not obligated to approve an NDA or BLA as a result of an SPA agreement, even if the clinical outcome is positive.

Even after initial FDA approval has been obtained, post-approval trials, or Phase 4 studies, may be required to provide additional data, and will be required to obtain approval for the sale of a product as a treatment for a clinical indication other than that for which the product was initially tested and approved. Also, the FDA will require post-approval safety reporting to monitor the side effects of the drug. Results of post-approval programs may limit or expand the indication or indications for which the drug product may be marketed. Further, if there are any requests for modifications to the initial FDA approval for the drug, including changes in indication, manufacturing process, manufacturing facilities, or labeling, a supplemental NDA or BLA may be required to be submitted to the FDA.

The length of time and related costs necessary to complete clinical trials varies significantly and may be difficult to predict. Clinical results are frequently susceptible to varying interpretations that may delay, limit or prevent regulatory approvals. Additional factors that can cause delay or termination of our clinical trials, or cause the costs of these clinical trials to increase, include:

- slow patient enrollment due to the nature of the protocol, the proximity of patients to clinical sites, the eligibility criteria for the study, competition with clinical trials for other drug candidates or other factors;
- inadequately trained or insufficient personnel at the study site to assist in overseeing and monitoring clinical trials;
- delays in approvals from a study site's IRB;
- longer than anticipated treatment time required to demonstrate effectiveness or determine the appropriate product dose;
- lack of sufficient supplies of the drug candidate for use in clinical trials;
- adverse medical events or side effects in treated patients; and
- lack of effectiveness of the drug candidate being tested.

Any drug is likely to produce some toxicities or undesirable side effects in animals and in humans when administered at sufficiently high doses and/or for sufficiently long periods of time. Unacceptable toxicities or side effects may occur at any dose level, and at any time in the course of animal studies designed to identify unacceptable effects of a drug candidate, known as toxicological studies, or in clinical trials of our drug candidates. The appearance of any unacceptable toxicity or side effect could cause us or regulatory authorities to interrupt, limit, delay or abort the development of any of our drug candidates, and could ultimately prevent their marketing approval by the FDA or foreign regulatory authorities for any or all targeted indications.

The FDA's fast track, breakthrough therapy, accelerated approval, priority review designation and priority voucher programs are intended to facilitate the development and/or expedite the review and approval of drug candidates intended for the treatment of serious or life-threatening conditions and that demonstrate the potential to address unmet medical needs for these conditions. Under these programs, FDA can, for example, review portions of an NDA or BLA for a drug candidate before the entire application is complete, thus potentially beginning the review process at an earlier time. The FDA, however, can mandate, and has mandated, post-approval requirements that could include lengthy and extensive confirmatory clinical trials. The FDA has recently increased its focus on accelerated approvals for oncology drugs and the confirmatory trials required for those drugs.

We cannot guarantee that the FDA will grant any of our requests for any of these expedited program designations, that any such designations would affect the time of review or that the FDA will approve the NDA or BLA submitted for any of our drug candidates, whether or not these designations are granted. Additionally, FDA approval of a product can include restrictions on the product's use or distribution (such as permitting use only for specified medical conditions or limiting distribution to physicians or facilities with special training or experience). Approval of such designated products can be conditioned on additional clinical trials after approval.

Sponsors submit the results of preclinical studies and clinical trials to the FDA as part of an NDA or BLA. NDAs and BLAs must also contain extensive product manufacturing information and proposed labeling. Upon receipt, the FDA initially reviews the NDA or BLA to determine whether it is sufficiently complete to initiate a substantive review. If the FDA identifies deficiencies that would preclude substantive review, the FDA will refuse to accept the NDA or BLA and will inform the sponsor of the deficiencies that must be corrected prior to resubmission. If the FDA accepts the submission for review (then deemed a "filing"), the FDA typically completes the NDA or BLA review within a pre-determined time frame. Under the Prescription Drug User Fee Act, the FDA agrees to review NDAs and BLAs under either a standard review or priority review. FDA procedures provide for priority review of NDAs and BLAs submitted for drugs that, compared to currently marketed products, if any, offer a significant improvement in the treatment, diagnosis or prevention of a disease. The FDA seeks to review NDAs and BLAs that are granted priority status more quickly than NDAs and BLAs given standard review status. The FDA's stated policy is to act on 90% of priority NDAs and BLAs within eight months of receipt (or six months after filing, which occurs within 60 days after NDA or BLA submission). Although the FDA historically has not met these goals, the agency has made significant improvements in the timeliness of the review process. NDA and BLA review often extends beyond anticipated completion dates due to FDA requests for additional data or clarification, the submission of a major amendment by the sponsor, the FDA's decision to have an advisory committee review, and difficulties in scheduling an advisory committee meeting. The recommendations of an advisory committee are not binding on the FDA.

To obtain FDA approval to market a product, we must demonstrate that the product is safe and effective for the patient population that will be treated. If regulatory approval of a product is granted, the approval will be limited to those disease states and conditions for which the product is safe and effective, as demonstrated through clinical trials. Marketing or promoting a drug for an unapproved indication is prohibited. Furthermore, approval may entail requirements for post-marketing studies or risk evaluation and mitigation strategies, including the need for patient and/or physician education, patient registries, medication or similar guides, or other restrictions on the distribution of the product. If an NDA or BLA does not satisfy applicable regulatory criteria, the FDA may deny approval of an NDA or BLA or may issue a complete response, and require, among other things, additional clinical data or analyses.

The Orphan Drug Act provides incentives to manufacturers to develop and market drugs for rare diseases and conditions affecting fewer than 200,000 persons in the United States at the time of application for orphan drug designation or conditions affecting 200,000 or more people in the United States where the disease or condition occurs so infrequently that there is no reasonable expectation that the costs of drug development and marketing will be recovered in future sales of the drug in the United States. The first developer to receive FDA marketing approval for an orphan drug is entitled to a seven year exclusive marketing period in the United States for the orphan drug indication. However, a drug that the FDA considers to be clinically superior to, or different from, another approved orphan drug, even though for the same indication, may also obtain approval in the United States during the seven year exclusive marketing period.

Regulation of Manufacturing Process

Even when NDA or BLA approval is obtained, a marketed product, its manufacturer and its manufacturing facilities are subject to continual review and periodic inspections by the FDA. The manufacturing process for pharmaceutical products is highly regulated and regulators may shut down manufacturing facilities that they believe do not comply with regulations. Discovery of previously unknown problems with a product, manufacturer or facility may result in restrictions on the product, manufacturer or facility, including recalls or withdrawal of the product from the market. Manufacturing facilities are always subject to inspection by the applicable regulatory authorities.

We and our third-party manufacturers are subject to current Good Manufacturing Practices ("cGMP's") which are extensive regulations governing manufacturing processes and controls, including but not limited to release and stability testing, record keeping and quality standards as defined by the FDA in 21 CFR, parts 210 and 211, the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use and the EMA. Similar regulations are in effect in other countries. Manufacturing facilities are subject to inspection by the applicable regulatory authorities and are subject to manufacturing licenses where applicable. These facilities, whether our own or our contract manufacturers, may be inspected before we can use them in commercial manufacturing of our related products. We or our contract manufacturers must be able to comply with all applicable cGMP's and FDA or other regulatory requirements. If we or our contract manufacturers fail to comply, we or our contract manufacturers may be subject to legal or regulatory action, such as suspension of manufacturing license(s), seizure of product, or voluntary recall of product. Furthermore, continued compliance with applicable cGMP's will require continual expenditure of time, money and effort on the part of the Company or our contract manufacturers in the areas of production and quality control and record keeping and reporting, in order to ensure full compliance.

Post-Approval Regulation

Any products manufactured or distributed by the Company pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including record-keeping requirements, reporting of adverse experiences with the drug and other reporting, advertising and promotion restrictions. The FDA's rules for advertising and promotion require, among other things, that our promotion be fairly balanced and adequately substantiated by clinical studies, and that we do not promote our products for unapproved uses. We must also submit appropriate new and supplemental applications and obtain FDA approval for certain changes to the approved product, product labeling or manufacturing process or controls. On its own initiative, the FDA may require changes to the labeling of an approved drug if it becomes aware of new safety information that the agency believes should be included in the approved drug's labeling. The FDA also enforces the requirements of the Prescription Drug Marketing Act ("PDMA"), which, among other things, imposes various requirements in connection with the distribution of product samples to physicians.

In addition to inspections related to manufacturing, we are subject to periodic unannounced inspections by the FDA and other regulatory bodies related to the other regulatory requirements that apply to marketed drugs manufactured or distributed by us. The FDA also may conduct periodic inspections regarding our review and reporting of adverse events, or those related to compliance with the requirements of the PDMA concerning the handling of drug samples. When the FDA conducts an inspection, the inspectors may identify any deficiencies they believe exist in the form of a notice of inspectional observations. The observations may be more or less significant. If we receive a notice of inspectional observations, we likely will be required to respond in writing, and may be required to undertake corrective and preventive actions in order to address the FDA's concerns.

There are a variety of state laws and regulations that apply in the states or localities where our approved products and drug candidates are or may be marketed. For example, we must comply with state laws that require the registration of manufacturers and wholesale distributors of pharmaceutical products in that state, including, in certain states, manufacturers and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state. Some states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that require manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. Any applicable state or local regulations may hinder our ability to market, or increase the cost of marketing, our products in those states or localities.

The FDA's policies may change and additional government regulations may be enacted that could impose additional burdens or limitations on our ability to market products after approval. Moreover, increased attention to the containment of healthcare costs in the United States and in foreign markets could result in new government regulations which could have a material adverse effect on our business. We cannot predict the likelihood, nature or extent of adverse governmental regulation which might arise from future legislative or administrative action, either in the United States or abroad.

Marketing Exclusivity

The FDA may grant five years of exclusivity in the United States for the approval of NDAs for new chemical entities, and three years of exclusivity for supplemental NDAs, for, among other things, new indications, dosages or dosage forms of an existing drug, if new clinical investigations that were conducted or sponsored by the applicant are essential to the approval of the supplemental application. Additionally, six months of marketing exclusivity in the United States is available if, in response to a written request from the FDA, a sponsor submits and the agency accepts requested information relating to the use of the approved drug in the pediatric population. The six month pediatric exclusivity is added to any existing patent or non-patent exclusivity period for which the drug is eligible. Orphan drug products are also eligible for pediatric exclusivity if the FDA requests and the company completes pediatric clinical trials. Under the Biologics Price Competition and Innovation Act, the FDA may grant 12 years of data exclusivity for innovative biological products.

Foreign Regulation

Outside the United States, our ability to market a product is contingent upon receiving a marketing authorization from the appropriate regulatory authorities in specific regions or countries. The requirements governing the conduct of clinical trials, marketing authorization, pricing and reimbursement vary widely from country to country. At present, foreign marketing authorizations are applied for at a national level, although within the European Union ("EU") regional registration procedures are available to companies wishing to market a product in more than one EU member state. If the competent regulatory authority is satisfied that adequate evidence of safety, quality and efficacy has been presented, a marketing authorization may be granted. This foreign regulatory approval process involves all of the risks associated with FDA approval discussed above and may also include additional risks.

Whether or not we obtain FDA approval for a product, we must obtain the requisite approvals from regulatory authorities in non-U.S. countries prior to the commencement of clinical trials or marketing of the product in those countries. Certain countries outside of the United States have a process that requires the submission of a clinical trial application ("CTA") much like an IND prior to the commencement of human clinical trials. In the EU, a CTA must be submitted for each trial to the competent health authority and to independent ethics committees by national procedure for a single country trial or by EMA submission portal CTIS for a multinational study. Once the CTA is approved in accordance with the requirements in the concerned countries, clinical trial development may proceed in those countries and are conducted in accordance with GCP and other applicable regulatory requirements.

To obtain regulatory approval of an investigational drug under EU regulatory systems, we must submit a marketing authorization application ("MAA"). This application is similar to the NDA or BLA in the United States, with the exception of, among other things, regional and/or country-specific document requirements. Drugs can be authorized in the EU by using the centralized, mutual recognition, decentralized or national authorization procedures described below.

The EMA implemented the centralized procedure for the approval of human drugs to facilitate marketing authorizations that are valid throughout the EU. This procedure results in a single marketing authorization granted by the European Commission that is valid across the EU. Under the centralized procedure, the maximum timeframe for the evaluation of a marketing authorization application by the EMA is 210 days (excluding clock stops, when additional written or oral information is to be provided by the applicant in response to questions asked by the CHMP). A positive opinion on the MAA by the CHMP then needs to be endorsed by the European Commission within approximately 67 days. Accelerated assessment might be granted by the CHMP in exceptional cases, in which case the EMA ensures that the evaluation for the opinion of the CHMP is completed within 150 days (excluding clock stops) and the opinion issued thereafter.

The mutual recognition procedure ("MRP") for the approval of human drugs is an alternative approach to facilitate individual national marketing authorizations within the EU. The MRP may be applied for all human drugs for which the centralized procedure is not obligatory. The MRP is based on the principle of the mutual recognition by EU member states of their respective national marketing authorizations. Based on a marketing authorization in the reference member state, the applicant may apply for marketing authorizations in other member states. In such case, the reference member state shall update its existing assessment report about the drug. After the assessment is completed, copies of the report are sent to all member states, together with the approved summary of product characteristics, labeling and package leaflet. The concerned member states then recognize the decision of the reference member state and the summary of product characteristics, labeling and package leaflet. National marketing authorizations shall be granted within 30 days after acknowledgement of the agreement.

Should any member state refuse to recognize the marketing authorization by the reference member state, the member states shall make all efforts to reach a consensus. If this fails, the procedure is submitted to an EMA scientific committee for arbitration. The opinion of this EMA committee is then forwarded to the European Commission, for the start of the decision making process. As in the centralized procedure, this process entails consulting various European Commission Directorates General and the Standing Committee on Human Medicinal Products or Veterinary Medicinal Products, as appropriate.

Legislation similar to the Orphan Drug Act has been enacted in other jurisdictions outside of the United States, including the EU. The orphan legislation in the EU is available for therapies addressing conditions that affect five or fewer out of 10,000 persons, are life-threatening or chronically debilitating conditions and for which no satisfactory treatment is authorized. The market exclusivity period is for ten years, although that period can be reduced to six years if, at the end of the fifth year, available evidence establishes that the product does not justify maintenance of market exclusivity.

For other countries outside of the EU, such as the United Kingdom, Switzerland, the non-EU countries in Eastern Europe, the Middle-East, Latin America, Japan or other countries in Asia, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary. In all cases, the clinical trials are conducted in accordance with GCP and the other applicable regulatory requirements.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension of clinical trials, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Manufacturing

For our small molecule products, our manufacturing strategy is to contract with third parties to manufacture the raw materials, our active pharmaceutical ingredients ("API") and finished dosage form for clinical and commercial uses. We currently do not operate manufacturing facilities for clinical or commercial production of JAKAFI, ICLUSIG, PEMAZYRE and OPZELURA. As such, we expect to continue to rely on third parties for the manufacture of commercial supplies of the raw materials, API and finished drug product for drugs that we successfully develop and are approved for commercial sale. In this manner, we continue to build and maintain our supply chain and quality assurance resources.

For our large molecule products, our manufacturing strategy is a combination of contracts with third parties and internal manufacturing for clinical and commercial uses. Currently, our approved large molecule products are MONJUVI/MINJUVI, ZYNYZ and NIKTIMVO. In July 2018, we purchased land located in Yverdon, Switzerland for construction of a large molecule production facility to manufacture biologic drug substances for our drug candidates. Construction activity commenced in July 2018, and in June 2022 Swissmedic authorities granted the GMP drug manufacturing license for this facility. The Yverdon facility started to manufacture MONJUVI/MINJUVI drug substance during the fourth quarter of 2022. The drug substance is usable in patients after regulatory approval, which was granted in the fourth quarter of 2023 for the European market and the third quarter of 2025 for the United States.

Manufacturing of our Products

Our supply chain for manufacturing raw materials, API and drug product ready for distribution and commercialization is a multi-step international process. Establishing and managing the supply chain requires a significant financial commitment and the creation and maintenance of numerous third-party contractual relationships.

For our small molecule products, we contract with third parties to manufacture JAKAFI, ICLUSIG, PEMAZYRE, OPZELURA and our drug candidates for clinical and commercial purposes. Third-party manufacturers supply raw materials, and other third-party manufacturers convert these raw materials into API or convert the API into final dosage form. For most of our drug candidates, once our raw materials are produced, we rely on one third-party to manufacture the API, another to make finished drug product and a third to package and label the finished product. We generally have a single source or a limited number of suppliers that are qualified to supply each of the API and finished product of our drug products and our other drug candidates. For ruxolitinib phosphate, the API for JAKAFI and OPZELURA, we have three qualified third-party contract manufacturers from which we can source drug substance.

We also rely on third-party contract manufacturers to tablet or capsulate all of our active pharmaceutical ingredients for clinical and commercial uses. For JAKAFI and ICLUSIG, we have two qualified third-party manufacturers from which we can source commercial drug product. Secondary packaging of ICLUSIG is performed by a qualified third-party manufacturer. Primary packaged product for ICLUSIG can be used for clinical and commercial purposes. For PEMAZYRE, we have one qualified third-party manufacturer from which we can source commercial drug product. For OPZELURA, we have two qualified third-party manufacturers from which we can source commercial drug product for the United States market, and one qualified third-party manufacturer from which we can source commercial drug product for markets outside of the United States.

For our large molecule products, tafasitamab, the API for MONJUVI/MINJUVI has three qualified manufacturers. For the other biological products retifanlimab and axatilimab, the API for ZYNYZ and NIKTIMVO respectively, we have one qualified third-party contract manufacturer per API from which we can source drug substance. For the commercial drug product manufacturing, MONJUVI/MINJUVI has two active qualified third-party manufacturers, and ZYNYZ and NIKTIMVO both have one.

We may not be able to obtain sufficient quantities of any of our raw materials, drug candidates, API, or finished goods if our designated manufacturers do not have the capacity or capability to manufacture our products according to our schedule and specifications. If any of these single source suppliers were to become unable or unwilling to supply us with API or finished product that complies with applicable regulatory requirements, we could incur significant delays in our clinical trials or interruption of commercial supply which could have a material adverse effect on our business.

We have established a quality assurance program intended to ensure that our third-party manufacturers and service providers produce materials and provide services, as applicable, in accordance with the FDA and EMA's current Good Manufacturing Practices and other applicable regulations. Our quality assurance program extends to our licensed facilities that oversee the manufacturing and distribution activities.

For our future products, we intend to continue to establish third-party suppliers to manufacture sufficient quantities of our drug candidates to undertake clinical trials and to manufacture sufficient quantities of any product that is approved for commercial sale. If we are unable to contract for large scale manufacturing with third parties on acceptable terms for our future products or develop manufacturing capabilities internally, our ability to conduct large scale clinical trials and meet customer demand for commercial products will be adversely affected.

Third-party Manufacturers

Our third-party manufacturers are independent entities, under contract with us, who are subject to their own unique operational and financial risks which are out of our control. If we or any of our third-party manufacturers fail to perform as required, this could impair our ability to deliver our products on a timely basis or cause delays in our clinical trials and applications for regulatory approval. To the extent these risks materialize and affect their performance obligations to us, our financial results may be adversely affected.

For products manufactured by our third-party manufacturers, we have licensed the necessary aspects of this manufacturing technology that we believe is proprietary to us to enable them to manufacture the products for us. We have agreements with these third-party manufacturers that are intended to restrict these manufacturers from using or revealing our technology, but we cannot be certain that these third-party manufacturers will comply with these restrictions.

While we believe there are multiple third parties capable of providing most of the materials and services we need in order to manufacture API and distribute finished goods, and that supply of materials that cannot be second sourced can be managed with inventory planning, there is always a risk that we may underestimate demand, and that our manufacturing capacity through third-party manufacturers may not be sufficient. In addition, because of the significant lead times involved in our supply chain, we may have less flexibility to adjust our supply in response to changes in demand than if we had shorter lead times. Our strategy is to maintain sufficient levels of safety stock of API and semi-finished goods to be able to respond to changes in demand to provide on-time supply of drug product.

Access to Supplies and Materials

Our third-party manufacturers need access to certain supplies and products to manufacture our products and drug candidates. If delivery of material from their suppliers were interrupted for any reason or if they are unable to purchase sufficient quantities of raw materials used to manufacture our products and drug candidates, they may be unable to ship our products for commercial supply or to supply our drug candidates in development for clinical trials. For example, currently raw materials used to manufacture ruxolitinib phosphate, the API in JAKAFI and OPZELURA, are supplied by Chinese-based companies. As a result, an international trade dispute between China and the United States or any other actions by the Chinese government that would limit or prevent Chinese companies from supplying these materials would adversely affect our ability to manufacture and supply our products to meet market needs and have a material and adverse effect on our operating results. We have qualified one of our European suppliers and currently expect to use raw materials from this supplier in production later in 2026.

Human Capital

Our human capital management philosophy is committed to promoting an environment where our colleagues feel valued, engaged, and energized to help us achieve our company strategy. Our ability to deliver scientific excellence and outcomes for patients is driven by our collaborative culture, which influences how we work across every part of our business. Further, it is our goal to conduct business in a manner that does not compromise the health or safety of our people or the state of the environment and to comply with all applicable environmental, health and safety regulatory requirements.

We appreciate one another's differences and strengths and are proud to be an Equal Opportunity Employer. We value diversity of backgrounds and perspectives, and our policy is that we do not discriminate based any protected characteristic as established by federal, state or local laws, and we prohibit harassment of all kinds. We strive to create an environment that encourages employees to freely ask questions, raise concerns, and share their voice through employee engagement surveys, our compliance hotline, and with their HR Partner and leaders. Our management team makes themselves available to all employees through a number of formats, including quarterly global Town Hall events, Ask Me Anything sessions and Onboarding events, which all allow for an open question-and-answer dialogue.

We believe that creative solutions are best achieved through collaboration, and inclusion is therefore essential to Incyte. Diversity of thoughts, backgrounds, perceptions, and ideas help us create the medical solutions that patients require and represent the lifeblood of organizations such as ours. We have an Inclusion Committee, which is co-chaired by our Chief Executive Officer and Chief Human Resources Officer, to bring forth actionable plans across multiple focus areas. In addition, we are active in the communities in which we operate, offering 8 hours of volunteer time to our employees globally, a matching donation of up to $2,000 USD per year, and an annual recognition of Giving Tuesday with onsite volunteering for local non-profits around the world. This approach is intended to ensure that our employees are responding to those most in need in their communities, furthering our diversity efforts beyond our own doors.

We offer what we believe is a competitive compensation and benefits package, which allows 100% of global Incyte employees to participate in our annual incentive compensation plan, annual equity-based grants, health benefits and tuition reimbursement. We seek to ensure our compensation package remains competitive by conducting benchmark reviews annually. We support our colleagues in their professional development, offering opportunities for growth through challenging job assignments, development plans, and training opportunities.

As of December 31, 2025, we had 2,844 employees, representing an increase of approximately 9% over our 2,617 employees as of the end of the prior year. This growth is largely a result of continued expansion of our global commercial reach for our business operations. Among our employees, 940 are in research and development, 213 in medical affairs, 975 in sales and marketing and 716 in operations support and administrative positions. Geographically, 70% of our employees were based in the United States and Canada, 27% in Europe and 3% in Asia. In terms of gender diversity, 1,456 are female and 1,364 are male. Our employees in Austria, Belgium and Spain are covered by collective agreements, and management considers relations with our employees to be good.

Available Information

We were incorporated in Delaware in 1991 and our website is located at *www.incyte.com*. We make available free of charge on our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, as soon as reasonably practicable after we electronically file or furnish such materials to the Securities and Exchange Commission. Our website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K.

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 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.

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 this Annual Report on Form 10-K 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., and Eugia Pharma Specialties, Ltd., which we refer to as the Generic Manufacturers, notifying us that each has filed an ANDA requesting approval to market a generic version of JAKAFI 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 Manufacturers (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 companies remain pending.

With respect to deuterated ruxolitinib, in January 2018 the Patent Trial and Appeal Board ("PTAB") of the United States Patent and Trademark Office denied institution of a petition challenging our patent covering deuterated ruxolitinib analogs. The PTAB subsequently denied the petitioner's request for rehearing in May 2018. Although the PTAB's decision is now final, the petitioner still has the right to separately challenge the validity of our patent in federal court.

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 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 Padagis Israel Pharmaceuticals Ltd., Taro Pharmaceuticals Inc., Zydus Lifesciences Limited and Encube Ethicals Private Limited 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 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.

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 other parties to manufacture 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 clinical or 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 do have a biologics production facility located in Yverdon, Switzerland, 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.

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 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 due to changes in U.S. patent laws 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 and new technology, including artificial intelligence, could give rise to liability, breaches of data security, or reputational damage.

We and our employees increasingly are utilizing social media tools as a means of communication both internally and externally. We also are using new technology on a daily basis to enhance how we work. Despite our efforts to monitor evolving social media communication, our internal guidelines regarding the appropriate use of new 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. Additionally, the use of artificial intelligence is increasing in the biopharmaceutical industry. 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.

Item 1B. ***Unresolved Staff Comments***

None.

Item 1C. ***Cybersecurity***

Incyte is committed to maintaining robust oversight and governance of potential cybersecurity risks and to implementing processes and controls that help us identify, assess and manage such risks. To date, we have not experienced a cybersecurity threat or incident that has resulted in a material adverse impact to our business or operations. However, we cannot guarantee that we will not experience such a threat or incident in the future, given the increasing sophistication of those responsible for cybersecurity incidents. While we seek to detect and investigate unauthorized attempts and attacks against our network and to prevent their occurrence where practicable through our internal processes and tools, we remain potentially vulnerable to known or unknown threats. In some instances, we can be unaware of a threat or incident or its magnitude and effects. Further, there is increasing regulation regarding responses to cybersecurity incidents, including reporting to regulators, which could subject us to additional liability and reputational harm. See "Item 1A. Risk Factors" for more information on our cybersecurity risks.

We aim to incorporate and align with industry best practices throughout our cybersecurity program. Our cybersecurity strategy focuses on implementing effective and efficient controls, technologies and other processes to assess, identify, manage and mitigate material cybersecurity risks. These include, among other things, having mechanisms in place to detect and monitor unusual network activity, utilizing vulnerability assessment scans and tools, and conducting external and internal penetration tests and security assessments using the National Institute of Standards and Technology Cybersecurity Framework. We engage third party experts to assist with numerous aspects of our cybersecurity program, including vulnerability assessment scans, penetration tests and security assessments. These outside experts are utilized on a rotating basis to enable us to receive multiple viewpoints on the security of our technological resources. Additionally, from time to time, our internal audit function reviews and assesses various aspects of our cybersecurity program. We also engage in threat intelligence monitoring, including monitoring the dark web and zero-day vulnerability and attack information, and have processes in place to assess the potential cybersecurity impact or risk of any identified threats on our company, including potential impacts on our business partners and other parties with whom we share information. We actively engage with industry groups for peer benchmarking purposes and to stay current on best practices. We rely heavily on our vendors and other third-party service providers in our clinical development activities as well as to manufacture and deliver our products, and a cybersecurity incident at a vendor or other third-party service provider could have a material and adverse impact on our business, results of operations and financial condition. We have further processes in place to assess the cybersecurity risks associated with our vendors and other third-party service providers, and we require such providers to take appropriate precautions to protect our data and to notify us promptly in the event of any known or suspected data breach or cyber incident.

Our cybersecurity program is integrated into our broader approach to risk management, and ultimate oversight for the program sits with our Board of Directors. The Board of Directors is aided by its Audit and Finance Committee, which regularly reviews our cybersecurity program with management and reports to the Board of Directors. Cybersecurity reviews by the Audit and Finance Committee or the Board of Directors generally occur at least twice annually, or more frequently as determined to be necessary or advisable.

Incyte's Chief Information Security Officer ("CISO") runs our cybersecurity program. Our CISO, who holds numerous cybersecurity and related certifications, reports in to our Chief Information Officer ("CIO"). Our CISO and CIO have extensive experience assessing and managing cybersecurity programs and cybersecurity risk. They regularly report directly to the Audit and Finance Committee or the Board of Directors on our cybersecurity program and our efforts to prevent, detect, mitigate and remediate cybersecurity incidents. In addition, we have an escalation process in place to inform senior management and the Board of Directors of any material issues as they arise.

Item 2. ***Properties***

Our global headquarters is located in Wilmington, Delaware, where we conduct global clinical development and commercial operations. We own three buildings comprising approximately 541,000 square feet of laboratory and office space at this site.

In May 2024, we purchased additional property in Wilmington, Delaware, including land, office buildings and parking garages, adding an additional approximately 517,000 square feet of office space in Wilmington, Delaware. During December 2025, the downtown Wilmington properties that we acquired in May 2024 met the criteria to be classified as assets held for sale on our consolidated balance sheet as of December 31, 2025. As a result of this classification, we recorded an asset impairment charge on our consolidated statement of operations relating to the downtown Wilmington properties as of December 31, 2025. Additional information relating to the asset impairment can be found in Note 8 of Notes to the Consolidated Financial Statements.

We lease approximately 116,000 square feet of office space in Chadds Ford, Pennsylvania.

We also conduct clinical development and commercial operations from our European headquarters in Morges, Switzerland and our Tokyo and Shanghai offices in East Asia. Our large molecule production facility is located in Yverdon, Switzerland. Our Canadian office is in Montreal.

Item 3. ***Legal Proceedings***

From time to time, we are party to legal proceedings in the course of our business. The outcome of any such proceedings, regardless of the merits, is inherently uncertain. Legal proceedings, including litigation, government investigations and enforcement actions, can result in significant costs and occupy significant management resources. We do not expect any current legal proceedings to have a material adverse impact on our business or financial condition.

Item 4. ***Mine Safety Disclosures***

Not applicable.

Information about our Executive Officers

Our executive officers are as follows:

William J. Meury, age 57, joined Incyte in June 2025 as President and Chief Executive Officer. Prior to joining Incyte, Mr. Meury served as President and Chief Executive Officer of Anthos Therapeutics, Inc., a privately-held biopharmaceutical company, from April 2024 until its acquisition by Novartis in April 2025. From January 2023 through March 2024, Mr. Meury served as President and Chief Executive Officer of Karuna Therapeutics, Inc., a publicly traded biopharmaceutical company that was acquired by Bristol-Myers Squibb Company. From May 2020 through December 2022, Mr. Meury served as a Partner at Hildred Capital Management, a private equity firm focusing on the healthcare industry. Prior to joining Hildred Capital Management, Mr. Meury served as the Chief Commercial Officer of Allergan plc, a global pharmaceutical company, from May 2016 through its acquisition by AbbVie Inc. in May 2020. Mr. Meury previously served as Allergan's President, Branded Pharma from March 2015 to May 2016 and joined Allergan in July 2014 as Executive Vice President, Commercial, North American Brands. He has significant experience in launching and commercializing healthcare products. Prior to joining Allergan, Mr. Meury served as Executive Vice President, Sales and Marketing at Forest Laboratories, Inc., a specialty pharmaceutical company that was acquired by Actavis plc in July 2014. He joined Forest in 1993 and held multiple roles of increasing responsibility in marketing, new products, business development, and sales. Before joining Forest, Mr. Meury worked in public accounting for Reznick, Fedder & Silverman and in financial reporting for MCI Communications, Inc. Mr. Meury earned his B.A. in Economics from the University of Maryland.

Soni Basi, age 51, joined Incyte in August 2025 as Executive Vice President and Chief Human Resources Officer (CHRO). Ms. Basi has more than 25 years of experience in global HR and business leadership and is recognized for leading high-performing teams and guiding organizations through transformation. Before joining Incyte, Ms. Basi provided professional consulting services through SKB People Advisory, a private consulting practice, from June 2024 until August 2025, and served as CHRO at Edelman, a strategic global communications firm, from May 2022 to May 2024. Prior to Edelman, Ms. Basi was the Head of Global Talent Management at American International Group, Inc., a global insurance organization, from August 2020 to April 2022, and she previously held senior talent leadership roles at Allergan Pharmaceuticals, The Estée Lauder Companies and Schering-Plough. Ms. Basi earned her M.A. and Ph.D. in Social Psychology from Bowling Green State University.

Pablo J. Cagnoni, age 63, joined Incyte in June 2023 as President and Head of Research and Development. From November 2022 to May 2023, Dr. Cagnoni served as Chief Executive of Laronde (now Sail Biomedicines), a Flagship Pioneering Company, and Executive Partner at Flagship Pioneering. Prior to joining Laronde and Flagship, he served as President and Chief Executive Officer of Rubius Therapeutics, Inc., a biotechnology company, from June 2018 until November 2022. From May 2015 until June 2018, Dr. Cagnoni served as President and Chief Executive Officer of Tizona Therapeutics, Inc., a privately held biotechnology company. Dr. Cagnoni previously served as President of Onyx Pharmaceuticals, Inc., a biopharmaceutical company, from October 2013 to April 2015 and Executive Vice President, Global Research and Development and Technical Operations from March 2013 to October 2013. Prior to Onyx, Dr. Cagnoni was Senior Vice President and Global Head of Clinical Development at Novartis Oncology from October 2009 to March 2013. From 2007 to 2009, Dr. Cagnoni was Senior Vice President and Chief Medical Officer at Allos Therapeutics (acquired by Spectrum Pharmaceuticals) and, prior to that, Chief Medical Officer of OSI Pharmaceuticals (acquired by Astellas Pharma Inc.). Dr. Cagnoni received an M.D. from the University Buenos Aires School of Medicine and completed post-doctoral work in Hematology and Oncology at the Mount Sinai Medical Center, New York, and in Stem Cell Transplantation at the University of Colorado Health Sciences Center.

David Gardner, age 43, joined Incyte in September 2025 as Executive Vice President and Chief Strategy Officer. Mr. Gardner has more than 20 years of experience in biopharmaceutical investing and advising, most recently at Rock Springs Capital Management from May 2015 until September 2025, where he led strategy across Oncology, Neurology, Immunology and Rare Diseases in multiple roles of increasing responsibility. Prior to Rock Springs, Mr. Gardner spent a decade at BlackRock as Vice President and Equity Research Analyst where he was responsible for investments across the healthcare sector. Mr. Gardner holds an M.B.A. from Columbia Business School and a bachelor's degree from the University of Virginia's McIntire School of Commerce.

Lee Heeson, age 55, joined Incyte in October 2024 as Executive Vice President, Incyte International. Prior to joining Incyte, Mr. Heeson was Executive Vice President, Commercial International, of Seagen Inc., a biopharmaceutical company, from February 2022 to September 2024. From February 2020 to February 2022, he was President International of Vifor Pharma Ltd., a pharmaceuticals company. From October 2013 to January 2020, he held senior roles at Celgene Corporation, a biopharmaceutical company, most recently as President of Worldwide Markets, Inflammation & Immunology. Earlier in his career, Mr. Heeson held leadership positions at Galderma and Schering-Plough. Mr. Heeson holds a B.A., with honors, from Sheffield Hallam University.

Richard Hoffman, age 64, joined Incyte in December 2025 as Executive Vice President and General Counsel. Mr. Hoffman has more than 20 years of experience advising and supporting biopharmaceutical and life science companies. Prior to joining Incyte, he was a Partner in the Life Sciences group at Goodwin Procter LLP from October 2016 to October 2025, where he counseled a diverse portfolio of emerging and established biopharma organizations on corporate governance, strategic transactions, financings and litigation. Earlier in his career, Mr. Hoffman was a partner at WilmerHale and he has previously held senior leadership positions in the biotechnology industry at Hybridon and Avitech. He holds a B.A. from Harvard College, a J.D. from Columbia Law School and an M.B.A. from The Wharton School of the University of Pennsylvania.

Mohamed Issa, age 43, joined Incyte in January 2025 as Executive Vice President, Head of US Oncology. He has more than 20 years of global leadership experience in pharmaceuticals, consumer healthcare and med-tech, with expertise spanning strategy, commercialization and business development. Before joining Incyte, he spent 13 years at Johnson & Johnson, where he held senior roles leading U.S. Immunology, Neuroscience and Oncology businesses, most recently as Senior Vice President, US Immunology of Janssen Pharmaceuticals. Earlier in his career, he was co-founder and CEO of a consumer healthcare company and held various roles in sales, brand management and strategy in biopharmaceuticals. Dr. Issa holds a Pharm.D. from St. John's University and an M.B.A. in finance and economics from New York University's Stern School of Business.

Michael Morrissey, age 62, has served as Executive Vice President and Head of Global Technical Operations since June 2019 and joined Incyte in January 2016 as Corporate Senior Vice President and Head of Global Technical Operations. He has more than 30 years of global pharmaceutical industry experience through his prior positions in Research and Development, Quality Assurance, and Manufacturing. From February 2005 until joining Incyte, Mr. Morrissey worked at Celgene International, a subsidiary of Celgene Corporation, a biopharmaceutical company, where he last served as Corporate Vice President, Head of International Technical Operations. Prior to Celgene, he worked for Roche for 15 years in various positions. Mr. Morrissey received a B.Sc. in Physics and Applied Mathematics from the University of London, United Kingdom.

Steven Stein, age 59, has served as Executive Vice President and Chief Medical Officer since May 2016 and joined Incyte as Senior Vice President and Chief Medical Officer in March 2015. Prior to joining Incyte, from May 2011 to February 2015, he was the Senior Vice President, U.S. Clinical Development & Medical Affairs at Novartis Pharmaceuticals. From February 2004 to April 2011, Dr. Stein was the Vice President, Global Oncology, Clinical Development and the Head of Medicines Development for Hematology and Supportive Care for GlaxoSmithKline. Dr. Stein held a post-doctoral fellowship in hematology/oncology at the University of Pennsylvania from 1998 to 2001, and earned his M.D. from the University of Witwatersrand in Johannesburg, South Africa, in 1990.

Matteo Trotta, age 47, joined Incyte as Executive Vice President, General Manager, Dermatology US in March 2024. Prior to joining Incyte, Mr. Trotta served as the Head of Novartis U.S. Immunology, where he led a 400-person organization across dermatology, rheumatology, auto-inflammatory, rare diseases and allergy. He additionally held leadership roles in U.S. marketing and sales, enterprise strategy and global manufacturing and quality. Before joining Novartis in 2012, he was an Engagement Manager at McKinsey & Company, where he served pharmaceutical and payor clients as part of their healthcare practice. Mr. Trotta received his Engineering Degree from Politecnico di Torino, his M.S. in Engineering from the University of Illinois Chicago, and his M.B.A. from Columbia Business School.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock, $.001 par value per share, is traded on The Nasdaq Global Select Market under the symbol "INCY." As of December 31, 2025, our common stock was held by 97 stockholders of record. We have never declared or paid dividends on our capital stock and do not anticipate paying any dividends in the foreseeable future.

Item 6. ***[Reserved]***

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and related Notes included elsewhere in this report.

A discussion of our financial performance for the year ended December 31, 2025 as compared to the year ended December 31, 2024 appears below under the captions "Results of Operations" and "Liquidity and Capital Resources." A discussion of our financial performance for the year ended December 31, 2024 compared to the year ended December 31, 2023 can be found under the same captions in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 10, 2025, which is available free of charge on the SEC's website at *www.sec.gov* and our Investor Relations website at *investor.incyte.com/financials/annual-reports*. These website addresses are intended to be inactive, textual references only. None of the materials on, or accessible through, these websites are part of this report or are incorporated by reference herein.

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"). We are also eligible to receive milestones and royalties on molecules discovered by us and licensed to third parties.

Our portfolio focuses on areas of high unmet medical need and includes compounds in various stages, ranging from preclinical to late-stage development and commercialized products. Our approved products are JAKAFI (ruxolitinib), ICLUSIG (ponatinib), PEMAZYRE (pemigatinib), OPZELURA (ruxolitinib cream), MINJUVI (tafasitamab), MONJUVI (tafasitamab-cxix) and ZYNYZ (retifanlimab-dlwr), as well as NIKTIMVO (axatilimab-csfr) which is co-commercialized.

Our revenues depend on continued sales of our products, and we depend substantially on product revenues from JAKAFI. We must develop and commercialize new products to achieve revenue growth and to offset revenue losses from the loss of product exclusivity of JAKAFI in 2028 and the launch of competing products. For additional information, including information on the expirations of patents for various products, see Part I, Item 1 of this report, under the headings "Business—Patents, Other Intellectual Property, and Product Exclusivity" and "Business—Competition." We devote substantial resources to research and development activities and to acquire rights to new product candidates and technologies, but successful product development in the biopharmaceutical industry is highly uncertain.

Our product revenues also face challenges from economic conditions and drug pricing initiatives driven by governments and private payors. See Part I, Item 1A, "Risk Factors" of this report for a further discussion of certain factors that could impact our future product revenues.

License Agreements, Business Relationships and Acquisitions

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.

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. We believe the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of the consolidated financial statements. See Note 1 of Notes to the Consolidated Financial Statements for a complete list of our significant accounting policies.

Revenue Recognition. We recognize revenue only when we have satisfied a performance obligation through transferring control of the promised good or service to a customer in an amount that reflects the consideration we expect to receive in exchange for those goods or services. We apply the following five-step model in order to determine this amount: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation, which for the Company is at a point in time. We also assess collectability based primarily on the customer's payment history and on the creditworthiness of the customer.

Product Revenues

Product revenues are recognized once we satisfy the performance obligation at a point in time under the revenue recognition criteria as described above. We recognize revenues for product received by our customers net of allowances for customer credits, including estimated rebates, chargebacks, discounts, returns, distribution service fees, patient assistance programs, and government rebates, such as the Medicaid Drug Rebate Program and Medicare Part D prescription drug coverage reimbursements in the United States and mandated discounts in Europe. These sales allowances and accruals are recorded based on estimates which are described in detail below. Estimates are assessed as of the end of each reporting period and are updated to reflect current information. We believe that our sales allowances and accruals are reasonable and appropriate based on current facts and circumstances. As of December 31, 2025, a 5% change in our sales allowance and accruals would have had an approximate $103.8 million impact on our income before taxes.

Customer Credits: Our customers are offered various forms of consideration, including allowances, service fees and prompt payment discounts. We expect our customers will earn prompt payment discounts and, therefore, we deduct the full amount of these discounts from total product sales when revenues are recognized. Service fees are also deducted from total product sales as they are earned.

Rebates and Discounts: We accrue rebates for mandated discounts under the Medicaid Drug Rebate Program in the United States and mandated discounts in Europe in markets where government-sponsored healthcare systems are the primary payors for healthcare. These accruals are based on statutory discount rates and expected utilization as well as historical data we have accumulated since product launch.

Our estimates for expected utilization of commercial insurance rebates are based on data received from our customers. Rebates are generally invoiced and paid in arrears so that the accrual balance consists of an estimate of the amount expected to be incurred for the current quarter's activity, plus an accrual balance for known prior quarters' unpaid rebates. If actual future rebates vary from estimates, we may need to adjust prior period accruals, which would affect revenue in the period of adjustment.

Chargebacks: Chargebacks are discounts that occur when certain indirect contracted customers purchase directly from our wholesalers at a discounted price. The wholesalers, in turn, charge back to us the difference between the price initially paid by the wholesalers and the discounted price paid by the contracted customers. In addition to actual chargebacks received, we maintain an accrual for chargebacks based on the estimated contractual discounts on the inventory levels on hand in our distribution channel. If actual future chargebacks vary from these estimates, we may need to adjust prior period accruals, which would affect revenue in the period of adjustment.

Medicare Part D Rebates: Changes to our Medicare Part D prescription drug coverage reimbursements ("Part D Discount Program") became effective January 1, 2025 pursuant to the Inflation Reduction Act of 2022. Under the revised Part D Discount Program, manufacturers must give a 10 percent discount on Part D drugs in the initial coverage phase, and a 20 percent discount on Part D drugs in the so-called "catastrophic phase" (the phase after the patient incurs costs above the initial phase out-of-pocket threshold, which is $2,000 beginning in 2025). 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. In 2025, we saw a reduction in our sales allowances owed under Medicare Part D, due to changes to the Part D Discount Program.

Prior to the changes in the Medicare Part D Discount Program effective January 1, 2025, the Medicare Part D prescription drug benefit previously mandated manufacturers to fund 70% of the Medicare Part D insurance coverage gap for prescription drugs sold to eligible patients. Our estimates for the expected Medicare Part D coverage gap were based on historical invoices received and in part from data received from our customers.

Funding of the Medicare Part D Discount Program is generally invoiced and paid in arrears so that the accrual balance consists of an estimate of the amount expected to be incurred for the current quarter's activity, plus an accrual balance for known prior quarters. If actual future funding varies from estimates, we may need to adjust prior period accruals, which would affect revenue in the period of adjustment.

Co-payment Assistance: Patients who have commercial insurance and meet certain eligibility requirements may receive co-payment assistance. We accrue a liability for co-payment assistance based on actual program participation and estimates of program redemption using data provided by third-party administrators.

Product Royalty Revenues

Royalty revenues on commercial sales for JAKAVI and TABRECTA by Novartis are estimated based on information provided by Novartis. Royalty revenues on commercial sales for OLUMIANT by Lilly are estimated based on information provided by Lilly. We recognize royalty revenues in the period the sales occur. We exercise judgment in determining whether the information provided is sufficiently reliable for us to base our royalty revenue recognition thereon. If actual royalties vary from estimates, we may need to adjust the prior period, which would affect royalty revenue and receivables in the period of adjustment. Historically, adjustments to these estimates to reflect actual royalty revenues have not been material to our financial results and have been less than 1% of royalty revenues.

Milestone and Contract Revenues

At the inception of a contract, we determine the transaction price, in addition to any upfront payment, by estimating the amount of variable consideration, including milestone payments, at the outset of the contract utilizing the most likely amount method. Our contractual milestones typically relate to the achievement of pre-specified development, regulatory and commercialization events outside of our control, such as regulatory approval of a compound, first patient dosing or achievement of sales-based thresholds. We include milestones in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the milestone is subsequently resolved. Given the high level of uncertainty of achievement, variable consideration associated with milestones are fully constrained until confirmation of the satisfaction or completion of the milestone by the third-party. We review our estimate of the transaction price each period, and make revisions to such estimates as necessary.

Stock Compensation. Share-based payment transactions with employees, which include stock options, restricted stock units ("RSUs") and performance shares ("PSUs"), are recognized as compensation expense over the requisite service period based on their estimated fair values at the date of grant as well as expected forfeiture rates based on actual experience, subject to customary retirement provisions that may accelerate the requisite service period for expense recognition purposes. The stock compensation process requires the use of estimates, particularly surrounding Black-Scholes assumptions such as stock price volatility over the option term and expected option lives, as well as expected forfeiture rates and the probability of PSUs vesting. For the years ending December 31, 2025 and 2024, our Black-Scholes assumptions included a weighted-average stock price volatility of 29% in 2025 and 30% in 2024, and average expected option life of approximately five years. The average risk-free interest rate assumption used in the Black-Scholes valuations decreased from 4.15% in 2024 to 4.10% in 2025.

The fair value of stock options, which are subject to graded vesting, are recognized as compensation expense over the requisite service period using the accelerated attribution method. The fair value of RSUs that are subject to cliff vesting are recognized as compensation expense over the requisite service period using the straight-line attribution method, and the fair value of RSUs that are subject to graded vesting are recognized as compensation expense over the requisite service period using the accelerated attribution method. The fair value of PSUs are recognized as compensation expense beginning at the time in which the performance conditions are deemed probable of achievement. We assess the probability of achievement of performance conditions, including projected product revenues and clinical development milestones, as of the end of each reporting period. Once a performance condition is considered probable, we record compensation expense based on the portion of the service period elapsed to date with respect to that award, with a cumulative catch-up, net of estimated forfeitures, and recognize any remaining compensation expense, if any, over the remaining requisite service period using the straight-line attribution method for PSUs that are subject to cliff vesting and using the accelerated attribution method for PSUs that are subject to graded vesting. 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.

Income Taxes. We account for income taxes using an asset and liability approach to financial accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect for years in which the basis differences are expected to reverse. We periodically assess the likelihood of the realization of deferred tax assets, and reduce the carrying amount of these deferred tax assets to an amount that is considered to be more-likely-than-not to be realizable. Our assessment considers recent cumulative earnings experience, projections of future taxable income (losses) and ongoing prudent and feasible tax planning strategies. When performing our assessment on projections of future taxable income (losses), we consider factors such as the likelihood of regulatory approval and commercial success of products currently under development, among other factors. Significant judgment is required in making this assessment and, to the extent that a reversal of any portion of our valuation allowance against our deferred tax assets is deemed appropriate, a tax benefit will be recognized against our income tax provision in the period of such reversal.

We recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the position will be sustained upon examination by the taxing authorities, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit that is recorded for these positions is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. We adjust the level of the liability to reflect any subsequent changes in the relevant facts surrounding the uncertain positions. Any interest and penalties on uncertain tax positions are included within the tax provision.

We record estimates and prepare and file tax returns in various jurisdictions across the United States, Canada, Europe and Asia based upon our interpretation of local tax laws and regulations. While we exercise significant judgment when applying complex tax laws and regulations in these various taxing jurisdictions, many of our tax returns are open to audit and we may be subject to future tax, interest, and penalty assessments.

We believe our estimates for the valuation allowances against certain deferred tax assets and the amount of benefits associated with uncertain tax positions recognized in our financial statements are appropriate based upon our assessment of the factors mentioned above. Given we do not record a valuation allowance on the majority of our U.S. deferred tax assets, we expect that our reported income tax expense (current plus deferred) for future periods will be higher than that recorded for prior periods.

Results of Operations

Years Ended December 31, 2025 and 2024

We recorded net income for the years ended December 31, 2025 and 2024 of $1,286.7 million and $32.6 million, respectively. On a per share basis, basic net income was $6.59 and diluted net income was $6.41 for the year ended December 31, 2025. On a per share basis, basic net income was $0.16 and diluted net income was $0.15 for the year ended December 31, 2024.

Revenues

	For the Year Ended, December 31,	
	2025	2024
	(in millions)	
JAKAFI revenues, net	$ 3,092.5	$ 2,792.1
OPZELURA revenues, net	678.5	508.3
ICLUSIG revenues, net	134.1	114.3
PEMAZYRE revenues, net	86.7	81.7
MINJUVI/MONJUVI revenues, net	144.6	119.3
NIKTIMVO revenues, net	151.6	—
ZYNYZ revenues, net	66.3	3.2
Total product revenues, net	4,354.3	3,618.9
JAKAVI product royalty revenues	457.7	418.8
OLUMIANT product royalty revenues	144.6	135.6
TABRECTA product royalty revenues	26.7	22.7
Other product royalty revenues	7.9	2.2
Total product royalty revenues	636.9	579.3
Milestone and contract revenues	150.0	43.0
Total revenues	$ 5,141.2	$ 4,241.2

The increase in JAKAFI product revenues from 2024 to 2025 was primarily driven by an increase in paid demand across all indications. JAKAFI inventory levels were within normal range at the end of the fourth quarter of 2025.

The increase in OPZELURA net product revenues from 2024 to 2025 was primarily due to increased patient demand and refills in the U.S. in both atopic dermatitis and vitiligo. Additionally, $130.0 million of net product revenues for 2025 were from outside of the U.S., driven by continued uptake in France and Italy to treat vitiligo. OPZELURA inventory levels were within normal range at the end of the fourth quarter of 2025.

NIKTIMVO net product revenues for 2025 reflect continued strong uptake of the product following its commercial launch during the first quarter of 2025.

The increase in ZYNYZ net product revenues from 2024 to 2025 was primarily driven by the approval of the product in squamous cell anal carcinoma in the second quarter of 2025.

The increase in total royalty revenues from 2024 to 2025 was primarily driven by growth in JAKAVI royalty revenue.

Our product revenues may fluctuate from period to period due to our customers' purchasing patterns over the course of a year, including as a result of increased inventory building by customers in advance of expected or announced price increases. Product revenues 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):

Year Ended December 31, 2025	Discounts and Distribution Fees	Government Rebates and Chargebacks	Co-Pay Assistance and Other Discounts	Product Returns	Total
Balance at January 1, 2025	$ 27,440	$ 382,558	$ 13,290	$ 23,013	$ 446,301
Allowances for current period sales	229,701	1,692,462	146,685	23,045	2,091,893
Allowances for prior period sales	(1,863)	(9,652)	46	(3,928)	(15,397)
Credits/payments for current period sales	(195,354)	(1,317,604)	(137,751)	(62)	(1,650,771)
Credits/payments for prior period sales	(21,144)	(185,597)	(8,081)	(11,113)	(225,935)
Balance at December 31, 2025	$ 38,780	$ 562,167	$ 14,189	$ 30,955	$ 646,091

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 product revenues, net. 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 December 31, 2025, we have accrued approximately $218.5 million within accrued and other current liabilities on the 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 December 31, 2025, is approximately 6.9%. 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, by which we provide financial assistance to enable commercially-insured patients to afford their insurance premiums and co-pays, may fluctuate as the commercial insurance landscape evolves and may impact net revenues, 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 were $150.0 million and $43.0 million for the years ended December 31, 2025 and 2024, respectively. During the year ended December 31, 2025, our milestone and contract revenues were derived from a combination of upfront payments received from our third party collaborators for the transfer of functional intellectual property, primarily the $100.0 million payment received from Lilly in the fourth quarter of 2025, as well as developmental milestones received from our third party collaborators. During the year ended December 31, 2024, our milestone and contract revenues were derived from a combination of upfront payments received from our third party collaborators for the transfer of functional intellectual property, as well as developmental milestones received from our third party collaborators.

Cost of Product Revenues

	For the Year Ended December 31,	
	2025	2024
	(in millions)	
Product costs	$ 149.3	$ 129.0
Salary and benefits related	25.1	16.2
Stock compensation	3.5	2.3
Royalty expense	124.6	141.0
Profit share	44.0	—
Amortization of definite-lived intangible assets	25.6	23.6
Total cost of product revenues	$ 372.1	$ 312.1

Cost of product revenues 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 the amortization of capitalized milestone payments. The increase in cost of product revenues from 2024 to 2025 was driven by growth in net product revenues, the NIKTIMVO profit share and increased manufacturing related costs, partially offset by the impact from the reduced royalty rate agreed to as part of the contract dispute settlement with Novartis discussed below.

Contract Dispute Settlement

As described further in Note 7 of Notes to the Consolidated Financial Statements, during May 2025, we and Novartis entered into a settlement agreement with respect to litigation initiated by Novartis relating to the duration of royalty payments owed by us to Novartis under our Collaboration and License Agreement. As of March 31, 2025, we had approximately $537.1 million of accrued royalties relating to the dispute with Novartis included in accrued and other current liabilities on our consolidated balance sheet. Under the settlement agreement, we paid Novartis $280.0 million as the settlement of disputed royalties on net sales of JAKAFI in the United States through December 31, 2024, and 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. The reduced royalty paid for the quarter ended March 31, 2025, was approximately $14.9 million. The difference of $242.2 million between the total accrued royalties and the total amount paid by us to Novartis as disclosed above was recorded in contract dispute settlement on our consolidated statement of operations for the year ended December 31, 2025.

Operating Expenses

Research and development expenses

	For the Year Ended December 31,	
	2025	2024
	(in millions)	
Salary and benefits related	$ 557.9	$ 505.9
Stock compensation	150.2	161.3
Escient acquisition related compensation expense	—	11.3
Escient IPR&D expense	—	679.4
Clinical research and outside services	1,184.7	1,074.7
Occupancy and all other costs	157.4	174.2
Total research and development expenses	$ 2,050.2	$ 2,606.8

We account for research and development costs by natural expense line and not costs by project. Salary and benefits related expense increased from 2024 to 2025 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. Additionally, as described in Note 5 of the Notes to the Consolidated Financial Statements, as part of the Escient acquisition, we recognized compensation expense in research and development of $11.3 million on our consolidated statements of operations during the year ended December 31, 2024 associated with the accelerated vesting for certain Escient stock awards in connection with the acquisition. Research and development expenses for the year ended December 31, 2024 also include the $679.4 million of expense related to the acquired in-process research and development assets as part of the Escient acquisition.

The increase in clinical research and outside services expense from 2024 to 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, which were $97.6 million and $104.4 million for the years ended December 31, 2025 and 2024, respectively. Research and development expenses for the years ended December 31, 2025 and 2024 were net of $16.0 million and $29.9 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 pre-clinical 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 active pharmaceutical ingredients, 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

	For the Year Ended December 31,	
	2025	2024
	(in millions)	
Salary and benefits related	$ 419.7	$ 349.6
Stock compensation	95.6	102.5
Escient acquisition related compensation expense	—	20.2
Other contract services and outside costs	860.9	769.9
Total selling, general and administrative expenses	$ 1,376.2	$ 1,242.2

Salary and benefits related expense increased from 2024 to 2025 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. Additionally, as described in Note 5 of the Notes to the Consolidated Financial Statements, as part of the Escient acquisition, we recognized compensation expense in selling, general and administrative expenses of $20.2 million on our consolidated statements of operations during the year ended December 31, 2024 associated with the accelerated vesting for certain Escient stock awards in connection with the acquisition.

Asset impairment

As described further in Note 8 of Notes to the 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 has been recorded within the Prepaid expenses and other current assets line item on our consolidated balance sheet as of December 31, 2025.

(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 fair value of the acquisition-related contingent consideration is remeasured quarterly. The change in fair value of the acquisition-related contingent consideration for the years ended December 31, 2025 and 2024 was a gain of $6.1 million and loss of $19.8 million, respectively, which is recorded in (gain) loss on change in fair value of acquisition-related contingent consideration on the consolidated statements of operations. The change in fair value of the contingent consideration during the years ended December 31, 2025 and 2024 was due primarily to updated projections of future net revenues 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 years ended December 31, 2025 and 2024 was $105.6 million and $128.7 million, respectively. The decrease in Interest income for the year ended December 31, 2025 is primarily due to a lower interest rate environment in 2025 as compared to 2024.

Gain 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 and (losses):

	For the Years Ended December 31,	
	2025	2024
	(in millions)	
Agenus	$ —	$ (8.2)
Merus	—	106.1
MorphoSys	—	30.7
Syndax	11.1	(11.9)
Prelude	10.3	—
Other	(0.1)	(0.7)
Total gain on equity investments	$ 21.3	$ 116.0

Provision for income taxes

The provision for income taxes for the years ended December 31, 2025 and 2024 was $377.8 million and $284.0 million, respectively.

Our effective tax rate for the year ended December 31, 2025 was higher than the U.S. statutory rate primarily due to state income taxes and an increase in our valuation allowance against certain U.S. deferred tax assets. This was partially offset by tax rate benefits associated with research and development and orphan drug tax credit generations and the foreign derived intangible income deduction.

Our effective tax rate for the year ended December 31, 2024 was higher than the U.S. statutory rate primarily due to non-deductible charges of $710.9 million associated with the Escient acquisition.

Liquidity and Capital Resources

	2025	2024
	(in millions)	
December 31:		
Cash, cash equivalents, and marketable securities	$ 3,580.6	$ 2,158.1
Working capital	$ 3,508.7	$ 1,597.2
Year ended December 31:		
Cash provided by (used in):		
Operating activities	$ 1,413.5	$ 335.3
Investing activities	$ (102.6)	$ 157.5
Financing activities	$ 101.0	$ (2,021.5)
Capital expenditures (included in investing activities above)	$ (58.9)	$ (86.3)

Sources and Uses of Cash

At December 31, 2025, we had available cash, cash equivalents and marketable securities of $3.6 billion. Our cash and marketable securities balances are 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.

Cash provided by operating activities. The increase in cash provided by operating activities from 2024 to 2025 was primarily attributable to the changes in net income as a result of the contract dispute settlement during the second quarter of 2025 and the Escient acquisition during the second quarter of 2024, and changes in working capital.

Cash (used in) provided by investing activities. Our investing activities, other than purchases, sales and maturities of marketable securities, have consisted predominantly of capital expenditures and sales of long term investments. During 2025, net cash used in investing activities was $102.6 million, which primarily represented purchases of marketable securities of $295.5 million, capital expenditures of $58.9 million and payments for intangible assets of $25.0 million, offset in part by maturities of marketable securities of $284.6 million. During 2024, net cash provided by investing activities was $157.5 million, which primarily represented sales of equity investments of $284.8 million and maturity of marketable securities of $231.3 million, offset in part by purchases of marketable securities of $258.4 million, payments for intangible assets of $13.9 million, and capital expenditures of $86.3 million.

Cash provided by (used in) financing activities. During 2025, net cash provided by financing activities was $101.0 million and was primarily driven by proceeds from the issuance of common stock under our stock plans net of tax withholdings, offset in part by excise taxes relating to the June 2024 share repurchase and cash paid to ARIAD/Takeda for contingent consideration. During 2024, net cash used in financing activities was $2.0 billion, and was primarily driven by expenditures associated with the share repurchase.

Our capital expenditures for construction activities and our non-operating contractual operating and finance lease obligations are discussed in Note 8 of Notes to the Consolidated Financial Statements.

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 December 31, 2025, we had no outstanding borrowings and were in compliance with all covenants under this facility. The Credit Agreement is described further in Note 17 of Notes to the Consolidated Financial Statements.

The enactment of the One Big Beautiful Bill Act on July 4, 2025 modified key provisions of the Tax Cuts and Jobs Act of 2017. The legislation introduces multiple elections and features various effective dates, with some provisions effective in 2025 and others in subsequent years. The change related to the expensing of domestic research costs will materially reduce our U.S. tax liabilities in 2025 and 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 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 7A. ***Quantitative and Qualitative Disclosures About Market Risk***

Our investments in marketable securities, which are composed primarily of U.S. government 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 December 31, 2025, our marketable securities were $482.8 million. Due to the nature of these investments, if market interest rates were to increase immediately and uniformly by 10% from levels as of December 31, 2025, the decline in fair value would not be material.

Item 8. ***Financial Statements and Supplementary Data***

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Incyte Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Incyte Corporation (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 10, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowances for rebates owed pursuant to the Medicaid Drug Rebate Program in the U.S.

Description of the Matter	As discussed in Note 1 to the consolidated financial statements, the Company recognizes revenues for product received by its customers net of allowances for customer credits, including estimated rebates, chargebacks, discounts, returns, distribution service fees, patient assistance programs, and government rebates. Liabilities related to sales allowances are presented within accrued and other current liabilities on the consolidated balance sheet and totaled $642.5 million as of December 31, 2025. Auditing the allowances for rebates owed pursuant to the Medicaid Drug Rebate Program in the U.S. was complex and highly judgmental due to the significant estimation uncertainty involved in management's assumptions, including the levels of expected utilization of these rebates based on the amount of drugs sold to eligible patients, as well as the complexity of the government mandated calculations. The allowances for rebates owed pursuant to the Medicaid Drug Rebate Program in the U.S. are sensitive to these significant assumptions and calculations.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's review of the allowances for rebates owed pursuant to the Medicaid Drug Rebate Program in the U.S. For example, we tested controls over management's review of the significant assumptions, such as the utilization of these rebates as well as controls over management's review of the application of the government mandated calculations. To test the allowances for rebates owed pursuant to the Medicaid Drug Rebate Program in the U.S., we performed audit procedures that included, among others, evaluating the methodologies used and testing the significant assumptions discussed above. We compared the significant assumptions used by management to historical trends, evaluated the change in the accruals from prior periods, and assessed the historical accuracy of management's estimates against actual results. We also tested the completeness and accuracy of the underlying data used in the Company's calculations through reconciliation to third-party invoices, claims data and actual cash payments. In addition, we involved our governmental pricing specialists to assist in evaluating management's methodology and calculations used to measure the estimated rebates.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1991.

Philadelphia, Pennsylvania

February 10, 2026

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

	December 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,097,817	$ 1,687,829
Marketable securities—available-for-sale (amortized cost $480,793 and $469,917 as of December 31, 2025 and 2024, respectively; allowance for credit losses $0 as of December 31, 2025 and 2024)	482,787	470,263
Accounts receivable	1,024,407	853,154
Inventory	101,060	58,872
Prepaid expenses and other current assets	317,831	168,912
Total current assets	5,023,902	3,239,030
Restricted cash	1,852	1,622
Long term equity investments	47,991	18,814
Inventory	342,232	348,327
Property and equipment, net	730,885	763,411
Finance lease right-of-use assets, net	27,520	30,803
Other intangible assets, net	117,131	113,803
Goodwill	133,000	155,593
Deferred income tax asset	515,294	762,071
Other assets	18,166	10,848
Total assets	$ 6,957,973	$ 5,444,322
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 209,938	$ 197,465
Accrued compensation	228,071	188,677
Accrued and other current liabilities	1,031,501	1,212,048
Finance lease liabilities	4,516	4,419
Acquisition-related contingent consideration	41,144	39,238
Total current liabilities	1,515,170	1,641,847
Acquisition-related contingent consideration	79,856	153,762
Finance lease liabilities	30,199	33,542
Other liabilities	165,270	167,543
Total liabilities	1,790,495	1,996,694
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; none issued or outstanding as of December 31, 2025 and 2024	—	—
Common stock, $0.001 par value; 400,000,000 shares authorized; 198,460,009 and 193,434,305 shares issued and outstanding as of December 31, 2025 and 2024, respectively	198	193
Additional paid-in capital	4,928,049	4,533,437
Accumulated other comprehensive income (loss)	25,462	(13,121)
Retained earnings (accumulated deficit)	213,769	(1,072,881)
Total stockholders' equity	5,167,478	3,447,628
Total liabilities and stockholders' equity	$ 6,957,973	$ 5,444,322

See accompanying notes.

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

	Year Ended December 31,		
	2025	2024	2023
Revenues:			
Product revenues, net	$ 4,354,333	$ 3,618,888	$ 3,165,168
Product royalty revenues	636,909	579,329	523,481
Milestone and contract revenues	150,000	43,000	7,000
Total revenues	5,141,242	4,241,217	3,695,649
Costs, expenses and other:			
Cost of product revenues (including definite-lived intangible amortization)	372,130	312,068	254,990
Contract dispute settlement	(242,251)	—	—
Research and development	2,050,152	2,606,848	1,627,594
Selling, general and administrative	1,376,206	1,242,157	1,155,662
Asset impairment	76,275	—	5,631
(Gain) loss on change in fair value of acquisition-related contingent consideration	(6,129)	19,803	29,202
(Profit) and loss sharing under collaboration agreements	—	(1,025)	2,045
Total costs, expenses and other	3,626,383	4,179,851	3,075,124
Income from operations	1,514,859	61,366	620,525
Interest income	105,600	128,710	158,414
Interest expense	(2,428)	(2,280)	(2,551)
Gain on equity investments	21,310	116,025	43,893
Other, net	25,110	12,809	13,934
Income before provision for income taxes	1,664,451	316,630	834,215
Provision for income taxes	377,801	284,015	236,616
Net income	$ 1,286,650	$ 32,615	$ 597,599
Net income per share:			
Basic	$ 6.59	$ 0.16	$ 2.67
Diluted	$ 6.41	$ 0.15	$ 2.65
Shares used in computing net income per share:			
Basic	195,204	207,110	223,628
Diluted	200,700	210,530	225,928

See accompanying notes.

INCYTE CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Net income	$ 1,286,650	$ 32,615	$ 597,599
Other comprehensive income (loss):			
Foreign currency translation gain (loss)	24,977	(17,723)	25,772
Unrealized gain on marketable securities, net of tax	1,648	495	4,888
Defined benefit pension gain (loss), net of tax	11,958	(8,999)	(32,623)
Other comprehensive income (loss)	38,583	(26,227)	(1,963)
Comprehensive income	$ 1,325,233	$ 6,388	$ 595,636

See accompanying notes.

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	(Accumulated Deficit) Retained Earnings	Total Stockholders' Equity
Balances at December 31, 2022	$ 223	$ 4,792,041	$ 15,069	$ (437,214)	$ 4,370,119
Issuance of 1,154,974 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units and performance shares, net of shares withheld for taxes, and 380,145 shares of Common Stock under the ESPP	1	7,285	—	—	7,286
Issuance of 5,024 shares of Common Stock for services rendered	—	321	—	—	321
Stock compensation	—	216,475	—	—	216,475
Other comprehensive loss	—	—	(1,963)	—	(1,963)
Net income	—	—	—	597,599	597,599
Balances at December 31, 2023	$ 224	$ 5,016,122	$ 13,106	$ 160,385	$ 5,189,837
Issuance of 1,776,728 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units and performance shares, net of shares withheld for taxes, and 453,312 shares of Common Stock under the ESPP	2	8,997	—	—	8,999
Issuance of 5,062 shares of Common Stock for services rendered	—	321	—	—	321
Stock compensation	—	266,058	—	—	266,058
Repurchase of common stock	(33)	(758,061)	—	(1,265,881)	(2,023,975)
Other comprehensive loss	—	—	(26,227)	—	(26,227)
Net income	—	—	—	32,615	32,615
Balances at December 31, 2024	$ 193	$ 4,533,437	$ (13,121)	$ (1,072,881)	$ 3,447,628
Issuance of 4,650,561 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units and performance shares, net of shares withheld for taxes, and 398,373 shares of Common Stock under the ESPP	5	144,939	—	—	144,944
Issuance of 4,204 shares of Common Stock for services rendered	—	327	—	—	327
Stock compensation	—	249,346	—	—	249,346
Other comprehensive income	—	—	38,583	—	38,583
Net income	—	—	—	1,286,650	1,286,650
Balances at December 31, 2025	$ 198	$ 4,928,049	$ 25,462	$ 213,769	$ 5,167,478

See accompanying notes.

INCYTE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2025	**2024**	**2023**
Cash flows from operating activities:			
Net income	$ 1,286,650	$ 32,615	$ 597,599
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	93,286	89,248	82,660
Stock-based compensation	249,346	266,058	215,889
Deferred income taxes	247,685	(85,553)	(158,898)
Other, net	14,857	(9,053)	16,948
(Gain) on equity investments	(21,310)	(116,025)	(43,893)
(Gain) loss on change in fair value of acquisition-related contingent consideration	(6,129)	19,803	29,202
Asset impairment	76,275	—	5,631
Changes in operating assets and liabilities:			
Accounts receivable	(170,772)	(111,586)	(98,678)
Prepaid expenses and other assets	(156,237)	10,365	(42,491)
Inventory	(58,513)	(127,633)	(170,151)
Accounts payable	6,562	88,159	(167,945)
Accrued and other liabilities	(148,202)	278,939	230,614
Net cash provided by operating activities	1,413,498	335,337	496,487
Cash flows from investing activities:			
Purchase of long term investments	(7,875)	—	(10,000)
Sale of equity investments	8	284,781	45
Capital expenditures	(58,867)	(86,263)	(32,486)
Payments for intangible assets	(25,000)	(13,900)	(15,000)
Purchases of marketable securities	(295,507)	(258,370)	(456,020)
Maturities of marketable securities	284,631	231,269	305,784
Net cash (used in) provided by investing activities	(102,610)	157,517	(207,677)
Cash flows from financing activities:			
Repurchase of Common Stock	—	(2,004,790)	—
Excise tax paid on repurchase of Common Stock	(19,100)	—	—
Proceeds from issuance of Common Stock under stock plans	221,762	49,301	35,836
Tax withholdings related to restricted and performance share vesting	(76,818)	(40,302)	(28,550)
Payment of finance lease liabilities	(4,544)	(3,798)	(3,360)
Payment of contingent consideration	(20,261)	(21,958)	(23,959)
Net cash provided by (used in) financing activities	101,039	(2,021,547)	(20,033)
Effect of exchange rates on cash, cash equivalents, and restricted cash	(1,709)	2,923	(6,676)
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,410,218	(1,525,770)	262,101
Cash, cash equivalents, and restricted cash at beginning of period	1,689,451	3,215,221	2,953,120
Cash, cash equivalents, and restricted cash at end of period	$ 3,099,669	$ 1,689,451	$ 3,215,221
Supplemental Schedule of Cash Flow Information			
Cash paid for contract dispute settlement	$ 294,881	$ —	$ —
Unpaid purchases of property and equipment	$ 4,929	$ 2,597	$ 5,052
Unpaid excise tax on repurchase of common stock	$ —	$ 19,185	$ —
Leased assets obtained in exchange for new operating lease liabilities	$ 3,163	$ 9,674	$ 5,275
Leased assets obtained in exchange for new finance lease liabilities	$ 937	$ 8,906	$ 2,257

See accompanying notes.

INCYTE CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

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.

Principles of Consolidation. The 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.

Foreign Currency Translation. Operations in non-U.S. entities are recorded in the functional currency of each entity. For financial reporting purposes, the functional currency of an entity is determined by a review of the source of an entity's most predominant cash flows. The results of operations for any non-U.S. dollar functional currency entities are translated from functional currencies into U.S. dollars using the average currency rate during each month. Assets and liabilities are translated using currency rates at the end of the period. Adjustments resulting from translating the financial statements of our foreign entities that use their local currency as the functional currency into U.S. dollars are reflected as a component of other comprehensive income (loss). Transaction gains and losses are recorded in other income (expense), net, in the consolidated statements of operations.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications. Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Concentrations of Credit Risk. Cash, cash equivalents, marketable securities, and trade receivables are financial instruments which potentially subject us to concentrations of credit risk. The estimated fair value of financial instruments approximates the carrying value based on available market information. By policy, we invest our excess available funds primarily in U.S. government debt securities, which are securities issued or guaranteed by the U.S. government, and money market funds that meet certain guidelines, which limits exposure to potential credit losses. Our receivables mainly relate to our product sales and collaborative agreements with pharmaceutical companies. We have not experienced any significant credit losses on cash, cash equivalents, marketable securities or trade receivables to date and do not require collateral on receivables.

Current Expected Credit Losses. Financial assets measured at amortized cost are assessed for future expected credit losses under guidance within ASC 326, *Financial Instruments – Credit Losses*, to determine if application of an expected credit losses reserve is necessary. On a quarterly basis, receivables that resulted from revenue transactions within the scope of ASC 606, *Revenue from Contracts with Customers*, and recognized on an amortized cost basis are reviewed on a customer-level basis to analyze expectations of future collections based upon past history of collections, payment, aging of receivables and viability of the customer to continue payment, as well as estimates of future economic conditions. Receivables generally consist of two types: receivables from collaborative agreements, including milestones, reimbursements for agreed-upon activities and sales royalties; and receivables from customer product sales. Collaborative agreement receivables are closely monitored relationships with select, reputable industry peers. Collection of receivables is assessed within each collaborative partnership on a quarterly basis, including evaluation of each entity's credit quality, financial health and past history of payment. Customer product sales receivables are independently evaluated on a monthly basis, where unusual items or aged receivables are closely monitored for signs of credit deterioration or indications of payment refusal. Customer product sales are with specialty pharmaceutical distributors, wholesalers and certain public and private institutions, some of whose financial obligations are funded by various government agencies.

We also monitor our available-for-sale debt securities for impairment quarterly or more frequently if circumstances warrant. In the event that the carrying value of a debt security exceeds its fair value, we evaluate whether any impairment is a result of credit loss or other factors. For investments in an unrealized loss position, we determine whether a credit loss exists by considering information about the collectability of the instrument, current market conditions, the investment issuer's financial condition and business outlook, and reasonable and supportable forecasts of economic conditions. An allowance for credit losses would be recorded in our consolidated statements of operations in the event the decline in the investment's fair value was a result of credit loss, and unrealized losses not related to credit losses would be recorded in other comprehensive income (loss).

Cash and Cash Equivalents. Cash and cash equivalents are held in banks or in custodial accounts with banks. Cash equivalents are defined as all liquid investments and money market funds with maturity from date of purchase of 90 days or less that are readily convertible into cash.

Marketable Securities—Available-for-Sale. Our marketable securities consist of investments in U.S. government debt securities that are classified as available-for-sale. Available-for-sale securities are carried at fair value, based on quoted market prices and observable inputs, with unrealized gains and losses, net of tax, reported as a separate component of stockholders' equity. We classify marketable securities that are available for use in current operations as current assets on the consolidated balance sheets. Realized gains and losses and declines in value judged to be other than temporary for available-for-sale securities are included in other income (expense), net on the consolidated statements of operations. The cost of securities sold is based on the specific identification method.

Accounts Receivable. As of December 31, 2025 and 2024, we had a de minimis amount of allowance for doubtful accounts. We provide an allowance for doubtful accounts based on management's assessment of the collectability of specific customer accounts, which includes consideration of the credit worthiness and financial condition of those customers, aging of such receivables, history of collectability with the customer and the general economic environment. We record an allowance to reduce the receivables to the amount that is expected to be collected.

Inventory. Inventories are valued at the lower of cost and net realizable value. We use the specific identification method to account for commercial product manufactured by third-party contractors, which is our predominant source of inventory. We apply the first-in, first-out (FIFO) method to inventories produced at our internal manufacturing facility located in Yverdon, Switzerland. Inventories consist of costs of materials, including shipping and handling fees, third-party contract manufacturing, and allocable overhead associated with the production of our commercialized products. We capitalize inventory after regulatory approval from U.S. Food and Drug Administration ("FDA"), European Medicines Agency or Japanese Ministry of Health, Labour and Welfare as the related costs are expected to be recoverable through the commercialization of the product. Costs incurred prior to approval are recorded as research and development expense in our consolidated statements of operations.

Raw materials, active pharmaceutical ingredients ("API"), work-in-process and finished goods inventory are monitored for obsolescence. We evaluate for potential excess inventory by analyzing current and future product demand relative to the remaining product shelf life. We build demand forecasts by considering factors such as, but not limited to, overall market potential, market share, market acceptance and patient usage. We classify inventory as current on the consolidated balance sheets when we expect inventory to be consumed for commercial use within the next twelve months.

Variable Interest Entities. We perform an initial and ongoing evaluation of the entities with which we have variable interests, such as equity ownership, in order to identify entities (i) that do not have sufficient equity investment at risk to permit the entity to finance its activities without additional subordinated financial support or (ii) in which the equity investors lack an essential characteristic of a controlling financial interest as variable interest entities ("VIE" or "VIEs"). If an entity is identified as a VIE, we perform an assessment to determine whether we have both (i) the power to direct activities that most significantly impact the VIE's economic performance and (ii) have the obligation to absorb losses from or the right to receive benefits of the VIE that could potentially be significant to the VIE. If both of these criteria are satisfied, we are identified as the primary beneficiary of the VIE. As of December 31, 2025, there were no entities in which we held a variable interest which we determined to be VIEs.

Equity Investments. Our equity investments consist of investments in common stock of publicly-held companies with whom we have entered into collaboration and license agreements. We classify our equity investments in common stock of publicly-held companies as either short term equity investments, for those investments which we intend to sell within one year, or long term equity investments, for those investments which we intend to hold for longer than one year, on the consolidated balance sheets. As of December 31, 2025 and 2024, all of our equity investments are classified as long term equity investments. Our equity investments are accounted for at fair value using readily determinable pricing available on a securities exchange on the consolidated balance sheets. All changes in fair value are reported in the consolidated statements of operations as a gain on equity investments.

In assessing whether we exercise significant influence over any of the companies in which we hold equity investments, we consider the nature and magnitude of our investment, any voting and protective rights we hold, any participation in the governance of the other company, and other relevant factors such as the presence of a collaboration or other business relationship. Currently, none of our equity investments in publicly-held companies are considered relationships in which we have the ability to exercise significant influence.

Property and Equipment, net. Property and equipment, net is stated at cost, less accumulated depreciation, amortization and impairments. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the shorter of the estimated useful life of the assets or lease term.

Lease Accounting. All leases with a lease term greater than 12 months, regardless of lease type classification, are recorded as an obligation on the balance sheet with a corresponding right-of-use asset. Both finance and operating leases are reflected as liabilities on the commencement date of the lease based on the present value of the lease payments to be made over the lease term. Current operating lease liabilities are reflected in accrued and other current liabilities and noncurrent operating lease liabilities are reflected in other liabilities on the consolidated balance sheet. Right-of-use assets are valued at the initial measurement of the lease liability, plus any initial direct costs or rent prepayments, minus lease incentives and any deferred lease payments. Operating lease right-of-use assets are recorded in property and equipment, net on the consolidated balance sheet and lease cost is recognized on a straight-line basis. For finance leases, expense is recognized as separate amortization and interest expense, with higher interest expense in the earlier periods of a lease. Leases with an initial term of 12 months or less are not recorded on the balance sheet and we recognize lease expense for these leases on a straight-line basis over the term of the lease. In determining whether a contract contains a lease, asset and service agreements are assessed at onset and upon modification for criteria of specifically identified assets, control and economic benefit.

Other Intangible Assets, net. Other intangible assets, net consist of licensed intellectual property rights acquired in business combinations, which are reported at acquisition date fair value, less accumulated amortization, as well as milestone payments made to collaboration partners incurred at or after the product has obtained regulatory approval. Milestones payable to collaboration partners are only recognized when the underlying contingency is resolved. Intangible assets with finite lives are amortized over their estimated useful lives using the straight-line method. Intangible assets with finite lives are tested for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Impairment of Long-Lived Assets. Long-lived assets with finite lives are tested for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If indicators of impairment are present, the asset is tested for recoverability by comparing the carrying value of the asset to the related estimated undiscounted future cash flows expected to be derived from the asset. If the expected cash flows are less than the carrying value of the asset, then the asset is considered to be impaired and its carrying value is written down to fair value, based on the related estimated discounted future cash flows.

Goodwill. Goodwill is calculated as the difference between the acquisition date fair value of the consideration transferred and the values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized but is tested for impairment at the reporting unit level at least annually as of October 1 or when a triggering event occurs that could indicate a potential impairment by assessing qualitative factors or performing a quantitative analysis to determine whether it is more-likely-than-not that the fair value of net assets are below their carrying amounts. A reporting unit is the same as, or one level below, an operating segment. Our operations are currently comprised of a single, entity wide reporting unit. We completed our most recent annual impairment assessment as of October 1, 2025 and determined that the carrying value of our goodwill was not impaired.

Income Taxes. We account for income taxes using the asset and liability approach which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts reportable for income tax purposes. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The primary factors used to assess the likelihood of realization are our recent history of cumulative earnings or losses, expected reversals of taxable temporary timing differences, forecasts of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The tax effects of global intangible low-taxed income from certain foreign subsidiaries is recognized in the income tax provision in the period the tax arises.

We recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the position will be sustained upon examination by the taxing authorities, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit that is recorded for these positions is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. We adjust the level of the liability to reflect any subsequent changes in the relevant facts surrounding the uncertain positions. Any interest and penalties on uncertain tax positions are included within the tax provision.

Net Income Per Share. Our basic and diluted net income per share is calculated by dividing net income by the weighted average number of shares of common stock outstanding during all periods presented. Options to purchase stock, restricted stock units and performance stock units are included in diluted earnings per share calculations, unless the effects are anti-dilutive.

Accumulated Other Comprehensive Income (Loss). Accumulated other comprehensive income (loss) consists of unrealized gains or losses on our marketable debt securities that are classified as available-for-sale, foreign currency translation gains or losses and unrecognized actuarial gains or losses related to our defined benefit pension plan.

Revenue Recognition. Revenue-generating contracts are assessed under ASC 606, *Revenue from Contracts with Customers*, to identify distinct performance obligations, determine the transaction price of the contract and allocate the transaction price to each of the distinct performance obligations. Revenue is recognized when we have satisfied a performance obligation through transferring control of the promised good or service to a customer. Control, in this instance, may mean the ability to prevent other entities from directing the use of, and receiving benefit from, a good or service. We apply the following five-step model in order to determine this amount: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation, which for the Company is generally at a point in time. We also assess collectability based primarily on the customer's payment history and on the creditworthiness of the customer.

Product Revenues

Product revenues are recognized at a point in time once we satisfy the performance obligation and control is transferred under the revenue recognition criteria as described above. Our customers in the United States include specialty and retail pharmacies, specialty distributors and wholesalers. Our customers in the European Union and certain other jurisdictions, include retail pharmacies, hospital pharmacies and distributors. We sell PEMAZYRE in Japan to an exclusive wholesaler.

We recognize revenues for product received by our customers net of allowances for customer credits, including estimated rebates, chargebacks, discounts, returns, distribution service fees, patient assistance programs, and government rebates, such as the Medicaid Drug Rebate Program and Medicare Part D prescription drug coverage reimbursements in the United States and mandated discounts in Europe. Product shipping and handling costs are included in cost of product revenues.

Customer Credits: Our customers are offered various forms of consideration, including allowances, service fees and prompt payment discounts. We expect our customers will earn prompt payment discounts and, therefore, we deduct the full amount of these discounts from total product sales when revenues are recognized. Service fees are also deducted from total product sales as they are earned.

Rebates and Discounts: Allowances for rebates include mandated discounts under the Medicaid Drug Rebate Program in the United States and mandated discounts in Europe in markets where government-sponsored healthcare systems are the primary payors for healthcare. Rebates are amounts owed after the final dispensing of the product to a benefit plan participant and are based upon contractual agreements or legal requirements with public sector benefit providers. The accrual for rebates is based on statutory discount rates and expected utilization as well as historical data we have accumulated since product launches.

Rebates are generally invoiced and paid in arrears so that the accrual balance consists of an estimate of the amount expected to be incurred for the current quarter's activity, plus an accrual balance for known prior quarters' unpaid rebates. If actual future rebates vary from estimates, we may need to adjust prior period accruals, which would affect revenue in the period of adjustment.

Chargebacks: Chargebacks are discounts that occur when certain indirect contracted customers, which currently consist primarily of group purchasing organizations, public health service institutions, non-profit clinics, and federal government entities purchasing via the Federal Supply Schedule, purchase directly from our wholesalers. Contracted customers generally purchase the product at a discounted price. The wholesalers, in turn, charge back to us the difference between the price initially paid by the wholesalers and the discounted price paid by the contracted customers. In addition to actual chargebacks received, we maintain an accrual for chargebacks based on the estimated contractual discounts on the inventory levels on hand in our distribution channel. If actual future chargebacks vary from these estimates, we may need to adjust prior period accruals, which would affect revenue in the period of adjustment.

Medicare Part D Rebates: Changes to our Medicare Part D prescription drug coverage reimbursements ("Part D Discount Program") became effective January 1, 2025 pursuant to the Inflation Reduction Act of 2022. Under the revised Part D Discount Program, manufacturers must give a 10 percent discount on Part D drugs in the initial coverage phase, and a 20 percent discount on Part D drugs in the so-called "catastrophic phase" (the phase after the patient incurs costs above the initial phase out-of-pocket threshold, which is $2,000 beginning in 2025). 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.

Prior to the changes in the Medicare Part D Discount Program effective January 1, 2025, the Medicare Part D prescription drug benefit previously mandated manufacturers to fund 70% of the Medicare Part D insurance coverage gap for prescription drugs sold to eligible patients. Our estimates for the expected Medicare Part D coverage gap were based on historical invoices received and in part from data received from our customers.

Funding of the Medicare Part D Discount Program is generally invoiced and paid in arrears so that the accrual balance consists of an estimate of the amount expected to be incurred for the current quarter's activity, plus an accrual balance for known prior quarters. If actual future funding varies from estimates, we may need to adjust prior period accruals, which would affect revenue in the period of adjustment.

Co-payment Assistance: Patients who have commercial insurance and meet certain eligibility requirements may receive co-payment assistance. We accrue a liability for co-payment assistance based on actual program participation and estimates of program redemption using data provided by third-party administrators.

Product Royalty Revenues

Royalty revenues on commercial sales for ruxolitinib (marketed as JAKAVI® outside the United States) by Novartis Pharmaceutical International Ltd. ("Novartis") are based on net sales of licensed products in licensed territories as provided by Novartis. Royalty revenues on commercial sales for baricitinib (marketed as OLUMIANT) by Eli Lilly and Company ("Lilly") are based on net sales of licensed products in licensed territories as provided by Lilly. Royalty revenues on commercial sales for capmatinib (marketed as TABRECTA®) by Novartis are based on net sales of licensed products in the licensed territories as provided by Novartis. We recognize royalty revenues in the period the sales occur.

Milestone and Contract Revenues

For each collaborative research, development and/or commercialization agreement that results in revenue under the guidance of ASC 606, we identify all material performance obligations, which may include the license to intellectual property and know-how, research and development activities and/or other activities. In order to determine the transaction price, in addition to any upfront payment, we estimate the amount of variable consideration, including milestone payments, at the outset of the contract utilizing the most likely amount method. The most likely amount method is used since the milestone payments have a binary outcome (i.e., we receive all or none of the milestone payment). We constrain the estimate of variable consideration such that it is probable that a significant reversal of previously recognized revenue will not occur. When determining if variable consideration should be constrained, management considers whether there are factors outside the Company's control that could result in a significant reversal of revenue. In making these assessments, management considers the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required. Once the estimated transaction price is established, amounts are allocated to the performance obligations that have been identified. The transaction price is generally allocated to each separate performance obligation on a relative standalone selling price basis.

Out-licensing arrangements contain the right to use functional intellectual property, which is the underlying performance obligation of these collaborative arrangements. If the license of our intellectual property is determined to be distinct from other performance obligations in the arrangement, the functional intellectual property that is transferred to the collaborative partner at the onset of the arrangement is concluded to have significant standalone functionality and value at the point in time at which the intellectual property is made available to the collaborative partner. For licenses that are not distinct from other obligations identified in the arrangement, we utilize judgment to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time. If the combined performance obligation is satisfied over time, we apply an appropriate method of measuring progress for purposes of recognizing revenue from nonrefundable, upfront license fees. We evaluate the measure of progress each reporting period and, if necessary, adjust the measure of performance and related revenue recognition. For each of the three years ended December 31, 2025, we had no revenues from intellectual property licenses recognized over time.

For milestone revenues related to sales-based achievements, we recognize the milestone revenues in the corresponding period of the product sale, in accordance with ASC 606-10-55-65 for contracts that include a license to intellectual property and the license is the predominant item to which the product sale relates.

Subsequent to the transfer of the intellectual property, we may earn milestones through achievement of pre-specified developmental or regulatory events and, as such, milestones are accounted for as variable consideration. We include developmental or regulatory milestones in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the milestone is subsequently resolved. Under the agreements currently in place, we do not consider these events to be within our control, but rather dependent upon the development activities of our collaborative partners and the decisions made by regulatory agencies. Accordingly, these milestones are not included in the transaction price until the counterparty, or third-party in the event of a regulatory submission, confirms the satisfaction or completion of the milestone triggering event. Given the high level of uncertainty of achievement, variable consideration associated with milestones are fully constrained until confirmation of the satisfaction or completion of the milestone by the third-party.

Generally, the milestone events contained in our collaboration agreements coincide with the progression of our drugs from development, to regulatory approval and then to commercialization. The value of these milestones is dictated within the contract and is fixed upon achievement and reflects the amount of consideration which we expect to be entitled to in exchange for the satisfaction of that milestone. The process of successfully discovering a new development candidate, having it approved and successfully commercialized is highly uncertain. As such, the milestone payments we may earn from our partners involve a significant degree of risk to achieve and therefore, subsequent milestone payments due to Incyte are recognized as revenue at the point in time when such milestones are achieved.

Our collaboration agreements may also include an option for the collaborative partner to elect to participate in research and development activities, such as shared participation in additional clinical trials using the compound. The presence of additional options for future participatory activities are assessed to determine if they represent material rights offered by us to the collaborative partner. We also determine whether the reimbursement of research and development expenses should be accounted for as collaborative revenues or an offset to research and development expenses in accordance with the provisions of gross or net revenue presentation and recognize the corresponding revenues or records the corresponding offset to research and development expenses as incurred.

Our collaborative agreements may also include provisions for additional future collaborative efforts, such as options for shared commercialization staffing or licensing of additional molecules, involvement in joint committees, or options for inclusion in negotiations of future supply rights, which at the time of each collaborative agreement's inception, are assessed to determine if these meet the definition of a performance obligation under ASC 606.

Cost of Product Revenues

Cost of product revenues includes all product related costs and royalties owed and profit sharing under certain of our collaboration and license agreements. In addition, cost of product revenues includes the amortization of our licensed intellectual property for ICLUSIG and the amortization of capitalized regulatory and commercial milestone payments made to third parties, which are capitalized as intangible assets subsequent to regulatory approval using the straight-line method over the respective estimated useful lives, which range between approximately 8 to 14 years. Cost of product revenues also includes employee personnel costs, including stock compensation, for those employees dedicated to the production of our commercial products.

Research and Development Costs. Our policy is to expense research and development costs as incurred, including amounts funded by research and development collaborations. Research and development expenses are comprised of costs we incur in performing research and development activities, including salary and benefits; stock-based compensation expense; outsourced services and other direct expenses, including clinical trial and pharmaceutical development costs; collaboration payments; expenses associated with drug supplies that are not being capitalized; and infrastructure costs, including facilities costs and depreciation expense. If a collaboration is a cost-sharing arrangement in which both we and our collaborator perform development work and share costs, we also recognize, as research and development expense in the period when our collaborator incurs development expenses, our portion of the co-development expenses that we are obligated to reimburse. Costs incurred under the collaboration arrangement that are reimbursable to us are recorded net against the related research and development expenses in the period in which the related expense is incurred.

We often contract with contract research organizations ("CROs") to facilitate, coordinate and perform agreed upon research and development of a new drug. To ensure that research and development costs are expensed as incurred, we record monthly accruals for clinical trials and preclinical testing costs based on the work performed under the contract. These CRO contracts typically call for the payment of fees for services at the initiation of the contract and/or upon the achievement of certain clinical trial milestones. In the event that we prepay CRO fees, we record the prepayment as a prepaid asset and amortize the asset into research and development expense over the period of time the contracted research and development services are performed. Most professional fees, including project and clinical management, data management, monitoring, and medical writing fees are incurred throughout the contract period. These professional fees are expensed based on their percentage of completion at a particular date. Our CRO contracts generally include pass through fees. Pass through fees include, but are not limited to, regulatory expenses, investigator fees, travel costs, and other miscellaneous costs, including shipping and printing fees. We expense the costs of pass through fees under our CRO contracts as they are incurred, based on the best information available to us at the time. The estimates of the pass through fees incurred are based on the amount of work completed for the clinical trial and are monitored through correspondence with the CROs, internal reviews and a review of contractual terms. The factors utilized to derive the estimates include the number of patients enrolled, duration of the clinical trial, estimated patient attrition, screening rate and length of the dosing regimen. CRO fees incurred to set up the clinical trial are expensed during the setup period.

Stock Compensation. Share-based payment transactions with employees, which include stock options, restricted stock units ("RSUs") and performance shares ("PSUs"), are recognized as compensation expense over the requisite service period based on their estimated fair values as well as expected forfeiture rates, subject to customary retirement provisions that may accelerate the requisite service period for expense recognition purposes. The stock compensation process requires the use of estimates, particularly surrounding Black-Scholes assumptions such as stock price volatility over the option term and expected option lives, as well as expected forfeiture rates and the probability of PSUs vesting. The fair value of stock options, which are subject to graded vesting, are recognized as compensation expense over the requisite service period using the accelerated attribution method. The fair value of RSUs that are subject to cliff vesting are recognized as compensation expense over the requisite service period using the straight-line attribution method, and the fair value of RSUs that are subject to graded vesting are recognized as compensation expense over the requisite service period using the accelerated attribution method. The fair value of PSUs are recognized as compensation expense beginning at the time in which the performance conditions are deemed probable of achievement, which we assess as of the end of each reporting period. Once a performance condition is considered probable, we record compensation expense based on the portion of the service period elapsed to date with respect to that award, with a cumulative catch-up, net of estimated forfeitures, and recognize any remaining compensation expense, if any, over the remaining requisite service period using the straight-line attribution method for PSUs that are subject to cliff vesting and using the accelerated attribution method for PSUs that are subject to graded vesting. 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.

Advertising Expenses. Advertising expenses, comprised primarily of television, radio, print media and internet advertising, are expensed as incurred and are included in selling, general, and administrative expenses. For the years ended December 31, 2025, 2024, and 2023, advertising expenses were approximately $155.9 million, $200.7 million, and $221.9 million, respectively.

Long Term Incentive Plans. We have long term incentive plans which provide eligible employees with the opportunity to receive performance and service-based incentive compensation, which may be comprised of cash, stock options, RSUs and/or PSUs. The payment of cash and the grant or vesting of equity may be contingent upon the achievement of pre-determined regulatory, sales and internal performance milestones.

Acquisitions. To determine whether acquisitions should be accounted for as a business combination or as an asset acquisition, we make certain judgments, which include assessing whether the acquired set of activities and assets would meet the definition of a business under the relevant accounting rules. If the acquired set of activities and assets meets the definition of a business, assets acquired and liabilities assumed are required to be recorded at their respective fair values as of the acquisition date. The excess of the purchase price over the fair value of the acquired net assets, where applicable, is recorded as goodwill. If the acquired set of activities and assets does not meet the definition of a business, the transaction is recorded as an asset acquisition, with the purchase price being allocated to the acquired asset, with no goodwill recorded. For a transaction recorded as an asset acquisition, any acquired in-process research and development that does not have an alternative future use is charged to expense at the acquisition date. See Note 5 for additional information.

Acquisition-Related Contingent Consideration. Acquisition-related contingent consideration consists of our future royalty obligations on future net revenues of ICLUSIG owed to Takeda Pharmaceutical Company Limited, which acquired ARIAD Pharmaceuticals, Inc. ("Takeda"). Acquisition-related contingent consideration was recorded on the acquisition date of June 1, 2016 at the estimated fair value of the obligation, in accordance with the acquisition method of accounting. The fair value measurement is based on significant inputs that are unobservable in the market and thus represents a Level 3 measurement. The fair value of the acquisition-related contingent consideration is remeasured each reporting period, with changes in fair value recorded in the consolidated statements of operations.

Profit sharing from co-commercialization activities. In profit sharing arrangements where we are deemed to be the principal, we record 100% of all revenues and expenses associated with the co-commercialization activities. We record our collaboration partner's share of profit or loss to cost of product revenues within our consolidated statement of operations. Other components of make-whole payments between us and our collaboration partners are classified in our consolidated statement of operations based on the nature of the underlying payable or receivable.

In profit sharing arrangements where we are deemed to be the agent, we record our share of profit or loss from co-commercialization activities to (profit) and loss sharing under collaboration agreements within our consolidated statement of operations. Other components of make-whole payments between us and our collaboration partners are classified in our consolidated statement of operations based on the nature of the underlying payable or receivable.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-09, "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*." This amended guidance applies to all entities and broadly aims to enhance the transparency and decision usefulness of income tax disclosures. For public business entities, the amendments in this update are effective for fiscal years beginning after December 15, 2024, and are applicable for disclosures in our Annual Report on Form 10-K beginning with the year ending December 31, 2025. See Note 14 for additional disclosures.

In November 2024, the 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. If electing the practical expedient, entities should apply the amendments in this update prospectively. We are currently evaluating the impact ASU No. 2025-05 will have 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 2. Revenues

As discussed in Note 1, revenues are recognized under guidance within ASC 606. The following table presents our disaggregated revenues for the periods presented (in thousands):

	For the Years Ended, December 31,		
	2025	2024	2023
JAKAFI revenues, net	$ 3,092,515	$ 2,792,107	$ 2,593,732
OPZELURA revenues, net	678,455	508,293	337,864
ICLUSIG revenues, net	134,071	114,319	111,623
MINJUVI/MONJUVI revenues, net	144,578	119,236	37,057
PEMAZYRE revenues, net	86,727	81,748	83,642
NIKTIMVO revenues, net	151,636	—	—
ZYNYZ revenues, net	66,351	3,185	1,250
Total product revenues, net	4,354,333	3,618,888	3,165,168
JAKAVI product royalty revenues	457,729	418,840	367,583
OLUMIANT product royalty revenues	144,600	135,572	136,138
TABRECTA product royalty revenues	26,702	22,746	17,793
Other product royalty revenues	7,878	2,171	1,967
Total product royalty revenues	636,909	579,329	523,481
Milestone and contract revenues	150,000	43,000	7,000
Total revenues	$ 5,141,242	$ 4,241,217	$ 3,695,649

For further information on the MINJUVI/MONJUVI revenues, refer to Note 5 and for further information on our revenue-generating contracts, refer to Note 7.

Note 3. 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)	Estimated Fair Value
December 31, 2025				
Debt securities (government)	$ 480,793	$ 2,028	$ (34)	$ 482,787
December 31, 2024				
Debt securities (government)	$ 469,917	$ 971	$ (625)	$ 470,263

The table below summarizes the contractual maturities of our available-for-sale debt securities as of December 31, 2025 (in thousands):

	Total	Less than 1 Year	1-5 Years
Fair value of debt securities (government)	$ 482,787	$ 189,298	$ 293,489

Debt security assets were assessed for risk of expected credit losses per our accounting policy as described in Note 1. As of December 31, 2025 and 2024, 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 December 31, 2025 and 2024, 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 years ended December 31, 2025 and 2024.

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 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

	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, 2024
Cash and cash equivalents	$ 1,687,829	$ —	$ —	$ 1,687,829
Debt securities (government)	—	470,263	—	470,263
Long term equity investments (Note 7)	18,814	—	—	18,814
Total assets	$ 1,706,643	$ 470,263	$ —	$ 2,176,906

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 December 31, 2025
Acquisition-related contingent consideration	$ —	$ —	$ 121,000	$ 121,000
Total liabilities	$ —	$ —	$ 121,000	$ 121,000

	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, 2024
Acquisition-related contingent consideration	$ —	$ —	$ 193,000	$ 193,000
Total liabilities	$ —	$ —	$ 193,000	$ 193,000

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

	2025	2024
Balance at January 1,	$ 193,000	$ 212,000
Contingent consideration earned during the period but not yet paid	(12,149)	(9,956)
Payments made during the period	(31,129)	(28,847)
Change in fair value of contingent consideration and other adjustments	(28,722)	19,803
Balance at December 31,	$ 121,000	$ 193,000

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 revenues 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 consolidated statements of operations. The valuation inputs utilized to estimate the fair value of the contingent consideration as of December 31, 2025 and 2024 included a discount rate of 10%, updated projections of future net revenues 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 years ended December 31, 2025 and 2024 was due primarily to updated projections of future net revenues and royalties of ICLUSIG, including the impacts from fluctuations in foreign currency exchange rates, and the passage of time.

We generally make payments to Takeda quarterly based on the royalties earned in the previous quarter. As of December 31, 2025 and 2024, contingent consideration earned but not yet paid was $12.1 million and $10.0 million, respectively, and was included in accrued and other current liabilities.

Non-Recurring Fair Value Measurements

During the year ended December 31, 2025, we recorded an asset impairment charge of $76.3 million on our consolidated statement of operations relating to our downtown Wilmington, Delaware 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. Refer to Note 8 for further information on the asset impairment.

During the year ended December 31, 2024 there were no measurements required for any assets or liabilities at fair value on a non-recurring basis.

Note 4. Concentration of Credit Risk and Current Expected Credit Losses

In November 2009, we entered into a collaboration and license agreement with Novartis. In December 2009, we entered into a license, development and commercialization agreement with Lilly. These two collaboration partners comprised, in aggregate, 17% and 19% of the accounts receivable balance as of December 31, 2025 and 2024, 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 product revenues is as follows:

	Percentage of Total Net Product Revenues for the Years Ended, December 31,		
	2025	2024	2023
Customer A	13 %	15 %	17 %
Customer B	9 %	10 %	10 %
Customer C	21 %	19 %	18 %
Customer D	18 %	17 %	17 %
Customer E	11 %	10 %	10 %

We are exposed to risks associated with extending credit to customers related to the sale of products. Customers A, B, C, D and E comprised, in the aggregate, 54% and 49% of the accounts receivable balance as of December 31, 2025 and 2024, respectively. The concentration of credit risk relating to our other product revenues or accounts receivable is not significant.

We assessed our collaborative and customer receivable assets as of December 31, 2025 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.

Note 5. Acquisitions

Tafasitamab

On February 5, 2024, pursuant to a purchase agreement with MorphoSys AG ("MorphoSys"), we acquired exclusive global rights to tafasitamab, a humanized Fc-modified CD19-targeting immunotherapy marketed in the United States as MONJUVI (tafasitamab-cxix) and outside of the United States as MINJUVI (tafasitamab). We previously had the rights to tafasitamab outside of the United States under a January 2020 collaboration and license agreement with MorphoSys, which has now been terminated; therefore, this new agreement gave us all of the remaining global rights to tafasitamab. Under the terms of the purchase agreement, we made a payment of $25.0 million to MorphoSys and gained global development and commercialization rights for tafasitamab along with MONJUVI inventory. Since February 5, 2024, we now recognize revenue and costs for all U.S. commercialization and clinical development and MorphoSys is no longer eligible to receive future milestone, profit split and royalty payments under the now-terminated collaboration and license agreement.

We evaluated the set of activities and assets acquired under the purchase agreement and concluded that it did not meet the definition of a business because the acquired set did not include a substantive process. Therefore, the transaction was accounted for as an asset acquisition under U.S. GAAP and the total purchase price, inclusive of direct transaction costs, was allocated to the acquired MONJUVI inventory, in accordance with applicable accounting guidance.

Under the purchase agreement, we also became the successor to MorphoSys under its collaboration and license agreement with Xencor, Inc. ("Xencor"), pursuant to which Xencor granted MorphoSys an exclusive, worldwide license, including the right to sublicense under certain conditions, for tafasitamab. During the first quarter of 2025, we paid Xencor a development milestone of $12.5 million for the FDA acceptance of the Biologics License Application filing for the use of tafasitamab for follicular lymphoma, which was recorded in research and development expense. In June 2025, we recorded a $25.0 million regulatory milestone owed to Xencor for the FDA approval of MONJUVI for the treatment of follicular lymphoma. This milestone payment was capitalized as an intangible asset and included in other intangible assets, net on the consolidated balance sheet as of December 31, 2025. The intangible asset will be amortized through cost of product revenues over the estimated useful life of approximately 8 years.

As of December 31, 2025, Xencor is entitled to receive up to an additional $145.0 million in future contingent development and regulatory milestones and up to $50.0 million in sales milestones. Furthermore, Xencor is eligible to receive tiered royalties on global net sales of tafasitamab in the single-digit to sub-teen double-digit percentage range. Our royalty obligations continue on a country-by-country basis until the later to occur of the expiration of the last valid claim in the licensed patent covering tafasitamab in such country, or 11 years after the first sale thereof following marketing authorization in such country. The term of the Xencor collaboration agreement will continue until all of our royalty payment obligations have expired, unless terminated earlier. The Xencor collaboration agreement may be terminated by either party upon written notice to the other party immediately in the event of the other party's insolvency or upon 120 days' written notice for the other party's uncured material breach (or upon 30 days' written notice in the case of a breach of a payment obligation). Moreover, we may terminate the Xencor collaboration agreement without cause upon 90 days' advance written notice to Xencor. In the event that (i) we terminate this agreement for convenience or (ii) Xencor terminates due to our material breach, our challenge of Xencor's licensed patents or our insolvency, worldwide rights to develop, manufacture and commercialize licensed products, including tafasitamab, revert back to Xencor.

Escient Pharmaceuticals, Inc. ("Escient")

On May 30, 2024, we acquired all of the outstanding shares of common stock of Escient, a clinical-stage drug development company advancing novel small molecule therapeutics for systemic immune and neuro-immune disorders, for $782.5 million cash consideration, which included Escient's net cash remaining at the close of the transaction, subject to adjustments set forth in the merger agreement with Escient.

Escient's lead molecule, INCB000262 (formerly EP262), was a first-in-class oral Mas-related G protein-coupled receptor X2 (MRGPRX2) antagonist that has the potential to treat a broad range of inflammatory disorders. We accounted for the Escient transaction as an asset acquisition under U.S. GAAP because INCB000262 represents substantially all of the fair value of the gross assets acquired.

In addition to the $782.5 million closing cash consideration per the terms of the merger agreement, we incurred $2.5 million of direct transaction costs that were included in the total consideration to be allocated to the acquired net assets. Of the $785.0 million total consideration, we recognized related compensation expense of $31.5 million associated with the accelerated vesting for certain Escient stock awards in connection with the acquisition on our consolidated statements of operations during the year ended December 31, 2024.

The following table summarizes allocation of the remaining U.S. GAAP consideration, net of compensation expense, across the net assets acquired (in thousands):

Cash and cash equivalents	$	48,302
Marketable securities		3,988
Prepaid expenses and other current assets		1,663
In-process research and development assets		679,388
Deferred tax asset		44,811
Other non-current assets		4,110
Accounts payable and accrued expenses		(26,611)
Other current liabilities		(1,022)
Non-current liabilities		(1,118)
Total U.S. GAAP Consideration (net of compensation expense)	$	753,511

In-process research and development ("IPR&D") assets are related to acquired clinical-stage product candidates: lead candidate, INCB000262, and secondary candidate, INCB000547 (formerly EP547). The fair value of IPR&D assets was based on the present value of future discounted cash flows, which was based on significant estimates. These estimates included the amount of future product revenues, costs required to conduct clinical trials, future milestones and royalties payable under acquired license agreements, costs to receive regulatory approval and potentially commercialize product candidates, as well as estimates for probability of success and the discount rate. The concluded allocated fair values for INCB000262 and INCB000547 were $644.8 million and $34.6 million, respectively. As both acquired IPR&D assets do not have an alternative future use at the acquisition date, we recognized the full amount of $679.4 million as research and development expenses on our consolidated statements of operations during the year ended December 31, 2024.

Note 6. Inventory

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

	December 31,	
	2025	2024
Raw materials	$ 27,860	$ 27,590
API and Work-in-process	343,678	331,178
Finished goods	71,754	48,431
Total inventory	$ 443,292	$ 407,199

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 December 31, 2025, $101.1 million of inventory was classified as current on the consolidated balance sheet as we expect this inventory to be consumed for commercial use within the next twelve months. At December 31, 2025, $342.2 million of inventory was classified as non-current on the consolidated balance sheet as we did 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 consolidated statements of operations. At December 31, 2025, inventory with approximately $43.6 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 9 months to 31 months and, as a result, cost of product revenues 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 December 31, 2025, 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 recognize development and regulatory milestones upon confirmation of achievement of the event, as development and regulatory approvals are events not controllable by us but rather development activities of Novartis and decisions made by regulatory agencies. We recognize sales milestones in the corresponding period of the product sale upon confirmation of net sales milestone threshold achievement by Novartis.

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. As of March 31, 2025, we had approximately $537.1 million of accrued royalties relating to the dispute with Novartis included in accrued and other current liabilities on our consolidated balance sheet. Under the Settlement Agreement, we paid Novartis $280.0 million as the settlement of disputed royalties on net sales of JAKAFI in the United States through December 31, 2024, and 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. The reduced royalty paid for the quarter ended March 31, 2025, was approximately $14.9 million. The difference of $242.2 million between the total accrued royalties and the total amount paid by us to Novartis as disclosed above was recorded in Contract dispute settlement on our consolidated statement of operations for the year ended December 31, 2025.

During the years ended December 31, 2025, 2024 and 2023, such royalties on net sales within the United States totaled $88.1 million, $131.8 million and $122.1 million, respectively, and were reflected in cost of product revenues on the consolidated statements of operations. At December 31, 2025 and 2024, approximately $20.3 million and $507.4 million, respectively, of accrued royalties were included in accrued and other current liabilities on the 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 years ended December 31, 2025, 2024 and 2023 was $457.7 million, $418.8 million and $367.6 million, respectively. Product royalty revenue related to Novartis' net sales of TABRECTA worldwide for the years ended December 31, 2025, 2024 and 2023 was $26.7 million, $22.7 million and $17.8 million, respectively.

The Novartis agreement will continue on a program-by-program basis until Novartis has no royalty payment obligations with respect to such program or, if earlier, the termination of the agreement or any program in accordance with the terms of the agreement. Royalties are payable by Novartis on a product-by-product and country-by-country basis until the latest to occur of (i) the expiration of the last valid claim of the licensed patent rights covering the licensed product in the relevant country, (ii) the expiration of regulatory exclusivity for the licensed product in such country and (iii) a specified period from first commercial sale in such country of the licensed product by Novartis or its affiliates or sublicensees. The agreement may be terminated in its entirety or on a program-by-program basis by Novartis for convenience. The agreement may also be terminated by either party under certain other circumstances, including material breach.

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, for which we received an upfront payment of $100.0 million. This upfront payment was recognized in our milestone and contract revenues for the year ended December 31, 2025, resulting from the transfer of functional intellectual property related to Type 1 diabetes mellitus. 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 December 31, 2025, 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 in October 2025 for the functional intellectual property transfer related to Type 1 diabetes mellitus.

We recognize development and regulatory milestones upon confirmation of achievement of the event, as development and regulatory approvals are events not controllable by us but rather development activities of Lilly and decisions made by regulatory agencies. We recognize sales milestones in the corresponding period of the product sale upon confirmation of net sales milestone threshold achievement by Lilly.

Product royalty revenue related to Lilly net sales of OLUMIANT outside of the United States for the years ended December 31, 2025, 2024 and 2023, was $144.6 million, $135.6 million and $136.1 million, respectively.

The Lilly agreement will continue until Lilly no longer has any royalty payment obligations or, if earlier, the termination of the agreement in accordance with its terms. Royalties are payable by Lilly on a product-by-product and country-by-country basis until the latest to occur of (i) the expiration of the last valid claim of the licensed patent rights covering the licensed product in the relevant country, (ii) the expiration of regulatory exclusivity for the licensed product in such country and (iii) a specified period from first commercial sale in such country of the licensed product by Lilly or its affiliates or sublicensees. The agreement may be terminated by Lilly for convenience, and may also be terminated under certain other circumstances, including material breach.

Agenus

In January 2015, we entered into a License, Development and Commercialization Agreement with Agenus Inc. and its wholly-owned subsidiary, 4-Antibody AG (now known as Agenus Switzerland Inc.), which we collectively refer to as Agenus. Under this agreement, which was amended in February 2017, the parties agreed to collaborate on the discovery of novel immuno-therapeutics using Agenus' antibody discovery platforms. In February 2025, we provided Agenus with notice that we are terminating the parties' agreement based upon a strategic review. Under the terms of the agreement, the termination became effective in February 2026.

During 2024, we sold our shares of Agenus Inc. common stock, and as of December 31, 2024, we had no remaining investment in Agenus Inc. common stock. For the years ended December 31, 2024, and 2023, we recorded realized and unrealized losses of $8.2 million, and $18.9 million, respectively, based on the sale of shares and change in fair value of Agenus Inc.'s common stock during the respective periods.

Merus

In December 2016, we entered into a Collaboration and License Agreement with Merus N.V. ("Merus"). Under this agreement, the parties have agreed to collaborate with respect to the research, discovery and development of bispecific antibodies utilizing Merus' technology platform. The collaboration encompasses up to ten independent programs.

During 2024, we sold our investment of Merus' common shares, and as of December 31, 2024, we had no remaining investment in Merus' common shares. For the years ended December 31, 2024, and 2023, we recorded realized and unrealized gains of $106.1 million and $45.2 million, respectively, based on the sale of shares and change in fair value of remaining Merus' common shares during the respective periods.

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, 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 December 31, 2025, 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.

MorphoSys

As described in Note 5, on February 5, 2024, we entered into a purchase agreement with MorphoSys that became effective as of that date, as a result of which we now hold exclusive global rights for tafasitamab, a humanized Fc-modified CD19-targeting immunotherapy marketed in the United States as MONJUVI (tafasitamab-cxix) and outside of the United States as MINJUVI (tafasitamab). Prior to the acquisition, pursuant to a now-terminated collaboration and license agreement, we and MorphoSys agreed to co-develop tafasitamab and to share development costs associated with global and U.S.-specific clinical trials, with Incyte responsible for 55% of such costs and MorphoSys responsible for 45% of such costs. Each company was responsible for funding any independent development activities, and we were responsible for funding development activities specific to territories outside of the United States.

During 2024, we sold our investment of MorphoSys AG's ordinary shares, and as of December 31, 2024, we had no remaining investment in MorphoSys AG's ordinary shares. For the years ended December 31, 2024, and 2023, we recorded realized and unrealized gains of $30.7 million and $22.9 million, respectively, based on the sale of shares and change in fair value of MorphoSys AG's ordinary shares during the respective periods.

As described in Note 5, subsequent to the asset acquisition, we recognize revenue and costs for all commercialization and clinical development of tafasitamab in the United States. Research and development expenses for the period from January 1, 2024 to the asset acquisition on February 5, 2024 includes $10.7 million related to our 55% share of the co-development costs for tafasitamab.

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 will share equally the profits and losses from the co-commercialization efforts in the United States. Sales of axatilimab outside the United States will be 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.

In August 2024, we made a $12.5 million regulatory milestone payment to Syndax for the FDA approval of NIKTIMVO for the treatment of GVHD. This milestone payment was capitalized as an intangible asset and included in other intangible assets, net on the consolidated balance sheet as of December 31, 2025, and is being amortized through cost of product revenues over the estimated useful life of 10 years.

Inclusive of an upfront, non-refundable payment, since the inception of the agreement through December 31, 2025, 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. As of December 31, 2025, 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 December 31, 2025, 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 December 31, 2025 and 2024 was $29.9 million and $18.8 million, respectively. For the years ended December 31, 2025, 2024 and 2023, we recorded an unrealized gain of $11.1 million, an unrealized loss of $11.9 million, and an unrealized loss of $5.5 million, respectively, based on the change in fair value of Syndax's common stock during the respective periods.

Research and development expenses for the years ended December 31, 2025 and 2024, includes $21.9 million and $18.8 million, respectively, related to our 55% share of the co-development costs for axatilimab. At December 31, 2025 and 2024, $2.4 million and $2.2 million, respectively, was included in accrued and other liabilities on the consolidated balance sheet for amounts due to Syndax related to co-development activities under the agreement.

In connection with the United States co-commercialization efforts, Syndax's 50% share of profit was $44.0 million for the year ended December 31, 2025, which is reflected in cost of product revenues on the consolidated statement of operations. At December 31, 2025, $27.6 million was included in accrued and other liability on the consolidated balance sheet for amounts due to Syndax related to United States co-commercialization activities.

Sun Pharmaceuticals, Inc.

In July 2025, we entered into a settlement and license agreement with Sun Pharmaceuticals, Inc. ("Sun"), resolving patent infringement litigation related to Leqselvi (deuruxolitinib). Under this agreement, we have granted Sun a limited, non-exclusive license in the U.S. with respect to oral deuruxolitinib for certain agreed-upon non-hematology-oncology indications, including alopecia areata. In exchange for the limited license, Sun has paid us an upfront payment upon our transfer of functional intellectual property, which is included in milestone and contract revenues on the consolidated statement of operations for the year ended December 31, 2025, and has agreed to pay to us ongoing royalty payments. The amount associated with the settlement component is de minimis.

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 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 consolidated balance sheets. For the year ended December 31, 2025, we recorded an unrealized gain of $10.3 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 December 31, 2025 was $18.1 million.

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):

	December 31,	
	2025	2024
Office equipment	$ 24,411	$ 23,710
Laboratory equipment	258,003	229,797
Computer equipment	152,156	156,859
Land	11,273	15,395
Building and leasehold improvements	610,027	597,342
Operating lease right-of-use assets	19,596	22,230
Construction in progress	30,485	46,062
	1,105,951	1,091,395
Less accumulated depreciation and amortization	(375,066)	(327,984)
Property and equipment, net	$ 730,885	$ 763,411

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 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 has been recorded within the Prepaid expenses and other current assets line item on our consolidated balance sheet as of December 31, 2025. We currently expect to close on the sale of the downtown Wilmington, Delaware properties during 2026.

Depreciation expense, including amortization expense of leasehold improvements, was $66.6 million, $65.6 million and $60.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

We are the lessee of several contracts, including those to secure fleet vehicles, buildings and equipment. Our lease agreements do not contain any material residual value guarantees or restrictive covenants. Some of our building leases include options to renew and the exercise of these options is at our discretion.

Our current operating lease liabilities are reflected in accrued and other current liabilities and our noncurrent operating lease liabilities are reflected in other liabilities on the consolidated balance sheets and are as follows (in thousands):

	December 31,	
	2025	2024
Current		
Operating lease liabilities	$ 5,697	$ 5,583
Finance lease liabilities	4,516	4,419
Noncurrent		
Operating lease liabilities	14,508	16,793
Finance lease liabilities	30,199	33,542
Total lease liabilities	$ 54,920	$ 60,337

The maturity of our lease liabilities are as follows (in thousands):

	Operating	Finance
2026	$ 6,797	$ 5,695
2027	6,308	4,845
2028	3,043	4,048
2029	1,934	3,635
2030	1,254	3,435
After 2030	3,466	19,791
Total lease cash payments	$ 22,802	$ 41,449
Less: discount	2,597	6,734
Present value of lease liabilities	$ 20,205	$ 34,715

The cash paid for amounts included in the measurement of our operating lease liabilities for the years ended December 31, 2025, 2024 and 2023 was $7.5 million, $7.1 million and $9.4 million, respectively, in operating cash flows. The cash paid for amounts included in the measurement of our finance lease liabilities for the years ended December 31, 2025, 2024 and 2023 was $4.5 million, $3.8 million and $3.4 million, respectively, in financing cash flows.

As of December 31, 2025, our finance and operating leases had a weighted average lease term of approximately 9.8 years and 4.8 years, respectively. The discount rate of our leases is an approximation of an estimated incremental borrowing rate and is dependent upon the term and economics of each agreement. The weighted average discount rate of our finance and operating leases was approximately 3.5% and 4.3%, respectively.

As of December 31, 2024, our finance and operating leases had a weighted average lease term of approximately 10.4 years and 4.8 years, respectively. The weighted average discount rate of our finance and operating leases was approximately 3.6% and 4.5%, respectively.

As of December 31, 2023, our finance and operating leases had a weighted average lease term of approximately 10.8 years and 5.8 years, respectively. The weighted average discount rate of our finance and operating leases was approximately 4.0% and 3.9%, respectively.

For the year ended December 31, 2025, we incurred approximately $7.7 million of expense related to our operating leases, approximately $4.5 million of amortization on our finance lease right-of-use assets and approximately $1.3 million of interest expense on our finance lease liabilities. For the year ended December 31, 2024, we incurred approximately $8.1 million of expense related to our operating leases, approximately $3.9 million of amortization on our finance lease right-of-use assets and approximately $1.3 million of interest expense on our finance lease liabilities. For the year ended December 31, 2023, we incurred approximately $9.8 million of expense related to our operating leases, approximately $3.5 million of amortization on our finance lease right-of-use assets and approximately $1.3 million of interest expense on our finance lease liabilities.

Note 9. Intangible Assets and Goodwill

Intangible Assets, Net

The components of intangible assets were as follows (in thousands, except for useful life):

		Balance at December 31, 2025			Balance at December 31, 2024		
	Weighted-Average Useful Lives (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-lived intangible assets:							
Licensed IP	12.5	$ 271,000	$ 206,391	$ 64,609	$ 271,000	$ 184,854	$ 86,146
Capitalized milestone payments	9.9	$ 59,500	$ 6,978	$ 52,522	$ 29,500	$ 2,820	$ 26,680
Other	2.0	$ 1,400	$ 1,400	$ —	$ 1,400	$ 423	$ 977

Amortization expense for the years ended December 31, 2025, 2024 and 2023, was $26.7 million, $23.6 million, and $22.5 million, respectively. Estimated aggregate amortization expense based on the current carrying value of amortizable intangible assets will be as follows for the years ending December 31 (in thousands):

	2026	2027	2028	2029	2030	Thereafter
Amortization expense	$ 27,870	$ 27,870	$ 27,870	$ 6,333	$ 6,333	$ 20,855

Goodwill

There were no material changes to the carrying amount of goodwill for the years ended December 31, 2025 and 2024.

Note 10. Accrued and Other Current Liabilities

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

	December 31,	
	2025	2024
Royalties	$ 40,678	$ 519,881
Clinical related costs	175,932	132,446
Sales allowances	642,468	438,053
Sales and marketing	71,248	33,439
Accrued taxes	4,755	23,781
Operating lease liabilities	5,697	5,583
Other current liabilities	90,723	58,865
Total accrued and other current liabilities	$ 1,031,501	$ 1,212,048

Note 11. Stockholders' Equity

Preferred Stock. We are authorized to issue 5,000,000 shares of preferred stock, none of which was outstanding as of December 31, 2025 and 2024. The Board of Directors may determine the rights, preferences and privileges of any preferred stock issued in the future.

Common Stock. We are authorized to issue 400,000,000 shares of common stock.

Share Repurchase and Modified "Dutch Auction" Tender Offer. On May 13, 2024, we announced that our Board of Directors approved a share repurchase authorization of $2.0 billion. Subsequently, we commenced a modified "Dutch Auction" tender offer to repurchase shares of our common stock for an aggregate purchase price of up to $1.672 billion (the "tender offer"). We offered to purchase up to $1.672 billion in value of our common stock at a price not greater than $60.00 per share nor less than $52.00 per share, net to the seller in cash, less any applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the tender offer documents that were distributed to stockholders. A modified "Dutch Auction" tender offer allows stockholders to indicate how much stock they wish to tender and at what price within the range described above. Based on the number of shares tendered and the prices specified by the tendering stockholders, we determined the lowest price per share that enabled us to purchase $1.672 billion of common stock at such price. On June 13, 2024, we completed the tender offer and repurchased 27,866,666 shares at a price of $60.00 per share for an aggregate price of approximately $1.672 billion, excluding fees and related expenses, pursuant to the tender offer.

In addition, on May 12, 2024, we entered into a separate stock purchase agreement with Julian C. Baker (a member of our Board of Directors), Felix J. Baker, and entities affiliated with Julian C. and Felix J. Baker, including funds advised by Baker Bros. Advisors LP (collectively, the "Baker Entities"), to repurchase up to $328.0 million of our common stock. This would enable the Baker Entities to maintain their ownership level as of May 9, 2024 of approximately 16.4% of Incyte's outstanding common stock. The Baker Entities purchase was to be at the same price per share as was determined and paid in the tender offer. On June 26, 2024, we repurchased 5,459,183 shares at a price of $60.00 per share for an aggregate price of approximately $328.0 million pursuant to the terms of the stock purchase agreement with the Baker Entities.

We account for share repurchases as retirements, whereby it reduces common stock and additional paid-in capital by the amount of the original issuance, with any excess purchase price recorded as a reduction to retained earnings (accumulated deficit). Any transaction costs, including the excise tax, directly associated with the share repurchases are included as part of the purchase price. Under this method, the issued and outstanding shares of common stock are reduced by the number of shares of common stock repurchased, and no treasury stock is recognized on the consolidated financial statements.

A total of 33,325,849 common shares were repurchased during June 2024 at a price of $60.00 per share for an aggregate purchase price of approximately $2.0 billion. We incurred $24.4 million in fees and expenses associated with the share repurchase, which included $19.1 million for excise taxes on share repurchases in accordance with the Inflation Reduction Act of 2022. We paid the excise tax in April 2025. These costs are recognized within (accumulated deficit) retained earnings on the consolidated balance sheet as of December 31, 2025 as costs to repurchase our common stock. The purchased shares were cancelled and ceased to be outstanding.

Stock Compensation Plans. As of December 31, 2025, we had a total of 9,949,772 shares of our common stock available for future issuance related to our stock plans as described below.

2010 Stock Incentive Plan. In May 2010, the Board of Directors adopted the 2010 Stock Incentive Plan (the "2010 Stock Plan"), which was most recently amended in June 2025, for issuance of common stock to employees, non-employee directors, consultants, and scientific advisors. Awards under the 2010 Stock Plan include stock options, RSUs and PSUs.

In June 2025, our stockholders approved an increase in the number of shares of common stock reserved for issuance under the 2010 Stock Plan from 66,453,475 to 74,953,475.

2024 Inducement Stock Incentive Plan. In January 2024, our Board of Directors adopted the Incyte Corporation 2024 Inducement Stock Incentive Plan (the "2024 Inducement Plan"). In reliance on Nasdaq Marketplace Rule 5635(c)(4), stockholder approval was not obtained. In July 2025, we increased the number of shares of common stock reserved for issuance pursuant to the 2024 Inducement Plan from 1,000,000 to 2,000,000.

Stock Options

Options are granted to employees, consultants, and scientific advisors under the 2010 Stock Plan and 2024 Inducement Plan. Options are also granted under the 2010 Stock Plan to non-employee members of our Board of Directors, pursuant to a formula set forth in the 2010 Stock Plan. All options are exercisable at the fair market value of the stock on the date of grant.

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. Non-employee director options expire after 10 years and vest in full on the first anniversary of the date of grant or, if earlier, the date of the next annual meeting of stockholders.

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

	Shares Subject to Outstanding Options	
	Shares	Weighted Average Exercise Price
Balance at December 31, 2024	12,777,974	$ 83.45
Options granted	1,418,018	$ 72.72
Options exercised	(2,585,198)	$ 77.78
Options cancelled	(750,933)	$ 82.58
Balance at December 31, 2025	10,859,861	$ 83.46

Options to purchase a total of 8,769,819, 10,381,128 and 9,743,775 shares as of December 31, 2025, 2024 and 2023, respectively, were exercisable. The aggregate intrinsic value of options exercised for the years ended December 31, 2025, 2024 and 2023 were $41.8 million, $3.2 million and $3.2 million, respectively. At December 31, 2025, the aggregate intrinsic value of options outstanding and vested options are $198.3 million and $195.8 million, respectively.

The following table summarizes information about stock options outstanding as of December 31, 2025 under the 2010 Stock Plan and 2024 Inducement Plan:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$52.94 - $61.76	1,147,054	7.3	$ 60.83	720,211	$ 60.91
$62.03 - $68.62	1,477,011	7.1	66.70	642,215	67.16
$68.70 - $72.27	1,275,187	6.1	71.69	786,369	71.94
$72.66 - $77.67	1,112,675	5.8	75.63	1,012,061	75.54
$77.83 - $83.58	1,603,241	5.1	82.25	1,540,401	82.25
$83.83 - $90.56	1,456,611	3.9	86.66	1,347,601	86.78
$90.92 - $106.47	1,523,552	3.5	100.00	1,456,431	99.91
$113.64 - $128.34	1,149,228	1.2	118.77	1,149,228	118.77
$132.00 - $134.38	97,860	1.2	134.02	97,860	134.02
$138.52 - $138.52	17,442	1.3	138.52	17,442	138.52
	10,859,861			8,769,819	

Restricted Stock Units and Performance Shares

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 years ended December 31, 2025, 2024 and 2023, we recorded $19.7 million, $30.1 million and $17.2 million, respectively, of stock compensation expense for PSUs on our consolidated statements of operations.

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, 2024	8,656,803	$ 67.81
RSUs granted	3,492,732	$ 69.24
PSUs granted	897,393	$ 59.00
Additional PSUs earned	32,148	$ 70.45
RSUs released	(2,860,640)	$ 70.86
PSUs released	(255,805)	$ 72.97
RSUs cancelled	(543,681)	$ 67.19
PSUs cancelled	(143,500)	$ 76.73
Balance at December 31, 2025	9,275,450	$ 66.86

The following table summarizes our shares available for grant under the 2010 Plan and 2024 Inducement Plan. Previously, each RSU and PSU grant reduced the available share pool by 2 shares. In June 2025, our stockholders approved an amendment to the 2010 Stock Plan to remove the fungible ratio, and all awards granted under the 2010 Stock Plan after June 10, 2025, the date of our latest annual meeting, will reduce the share reserve on a one-for-one basis. If awards granted under the 2010 Stock Plan on or prior to June 10, 2025 expire, become unexercisable or are forfeited or repurchased after that date, the shares that were subject to those awards will become available for future grant only on a one-for-one basis, even if the original award was a full value award that reduced the share reserve on a two-for-one basis. The 2024 Inducement Plan was amended in June 2025 to remove the provision that stated that any shares issued in connection with awards other than options and stock appreciation rights will be counted against the authorized share limitation as 2.0 shares for every one share so issued and, as a result, all awards granted under the 2024 Inducement Plan will reduce the share reserve thereunder on a one-for-one basis.

	Shares Available for Grant
Balance at December 31, 2024	4,013,611
Additional authorization - 2010 Stock Plan	8,500,000
Additional authorization - 2024 Inducement Plan	1,000,000
Options, RSUs and PSUs granted and issuance of shares for services rendered	(6,335,986)
Options, RSUs and PSUs cancelled	1,598,684
Fungible ratio change adjustments	282,731
Balance at December 31, 2025	9,059,040

Employee Stock Purchase Plan. On May 21, 1997, our stockholders adopted the 1997 Employee Stock Purchase Plan, which was most recently amended in June 2025 (the "ESPP"). Each regular full-time and part-time employee working 20 hours or more per week is eligible to participate after one month of employment. In June 2025, our stockholders approved an increase in the number of shares of common stock reserved for issuance under the ESPP from 10,350,000 to 11,350,000. We issued 398,373, 453,312 and 380,145 shares under the ESPP in 2025, 2024 and 2023, respectively. For the years ended December 31, 2025, 2024 and 2023, we recorded stock compensation expense of $6.0 million, $5.3 million and $5.1 million, respectively, as the ESPP is considered compensatory under the FASB stock compensation rules. As of December 31, 2025, 890,732 shares remain available for issuance under the ESPP.

Note 12. Stock Compensation

We recorded $249.3 million, $266.1 million and $215.9 million, respectively, of stock compensation expense for the years ended December 31, 2025, 2024 and 2023. Stock compensation expense within the consolidated statements of operations included research and development expense for the years ended December 31, 2025, 2024 and 2023 of $150.2 million, $161.3 million and $126.7 million, respectively. Stock compensation expense within the consolidated statements of operations also included selling, general and administrative expense for the years ended December 31, 2025, 2024 and 2023 of $95.6 million, $102.5 million and $86.1 million, respectively. Stock compensation expense within the consolidated statements of operations also included cost of product revenues for the years ended December 31, 2025, 2024 and 2023 of $3.5 million, $2.3 million and $3.1 million, respectively.

Additionally, as described in Note 5, as part of the Escient acquisition, during the year ended December 31, 2024, we recognized on our consolidated statements of operations related compensation expense of approximately $31.5 million associated with the accelerated vesting for certain Escient stock awards in connection with the acquisition.

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

	Employee Stock Options For the year ended December 31,			Employee Stock Purchase Plan For the year ended December 31,		
	2025	2024	2023	2025	2024	2023
Average risk-free interest rates	4.10 %	4.15 %	4.01 %	3.95 %	4.88 %	4.72 %
Average expected life (in years)	5.02	5.03	5.05	0.50	0.50	0.50
Volatility	29 %	30 %	32 %	34 %	27 %	25 %
Weighted-average fair value (in dollars)	24.00	21.07	24.35	15.90	12.34	12.68

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.

We estimate forfeiture rates for our options, RSUs and PSUs. Under the true-up provisions of the stock compensation guidance, we will record additional expense as the awards vest 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 December 31, 2025, was $21.8 million, which is expected to be recognized over the weighted average period of 1.3 years. Total compensation cost of RSUs granted but not yet vested, as of December 31, 2025, was $248.9 million, which is expected to be recognized over the weighted average period of 1.5 years. Total compensation cost of PSUs granted but not yet vested, as of December 31, 2025, was $40.2 million, which is expected to be recognized over the weighted average period of 2.3 years, should the underlying performance conditions be deemed probable of achievement.

Note 13. Other Comprehensive Income (Loss)

The following tables summarize the activity related to reach component of other comprehensive income (loss) during the years ended December 31, 2025, 2024 and 2023:

(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	24,977	1,648	9,691	36,316
Net amount reclassified from accumulated other comprehensive loss	—	—	2,267	2,267
Net other comprehensive income	24,977	1,648	11,958	38,583
Balances at December 31, 2025	$ 51,433	$ 1,994	$ (27,965)	$ 25,462

(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, 2024	$ 44,181	$ (149)	$ (30,926)	$ 13,106
Other comprehensive (loss) income before reclassifications	(17,725)	495	(10,471)	(27,701)
Net amount reclassified from accumulated other comprehensive income (loss)	—	—	1,474	1,474
Net other comprehensive (loss) income	(17,725)	495	(8,997)	(26,227)
Balances at December 31, 2024	$ 26,456	$ 346	$ (39,923)	$ (13,121)

(Amounts presented net of taxes)	Foreign Currency Translation Gains	Net Unrealized Gains (Losses) on Marketable Securities	Defined Benefit Pension Plans	Accumulated Other Comprehensive Income (Loss)
Balances at January 1, 2023	$ 18,409	$ (5,037)	$ 1,697	$ 15,069
Other comprehensive income (loss) before reclassifications	25,772	4,888	(33,394)	(2,734)
Net amount reclassified from accumulated other comprehensive income	—	—	771	771
Net other comprehensive income (loss)	25,772	4,888	(32,623)	(1,963)
Balances at December 31, 2023	$ 44,181	$ (149)	$ (30,926)	$ 13,106

Note 14. Income Taxes

We are subject to U.S. federal, state and foreign corporate income taxes. The provision for income taxes is based on income before provision for income taxes as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
U.S.	$ 1,571,743	$ 401,760	$ 1,084,254
Non-U.S.	92,708	(85,130)	(250,039)
Income before provision for income taxes	$ 1,664,451	$ 316,630	$ 834,215

Our provision for income taxes consists of the following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Current:			
Federal	$ 80,508	$ 322,682	$ 344,407
State	42,998	43,955	48,106
Foreign	6,610	2,931	3,001
	130,116	369,568	395,514
Deferred:			
Federal	240,361	(106,549)	(139,468)
State	7,072	21,824	(19,625)
Foreign	252	(828)	195
	247,685	(85,553)	(158,898)
Total provision for income taxes	$ 377,801	$ 284,015	$ 236,616

Income taxes paid, net of (refunds) received, consisted of the following for the year ended December 31, 2025 (in thousands):

	Year Ended December 31,
	2025
Federal	$ 178,100
State	
Kentucky	20,798
Tennessee	(10,836)
All other states	19,345
Foreign	4,771
Total income taxes paid	$ 212,178

Income taxes paid prior to the adoption of ASU 2023-09 for the years ended December 31, 2024 and 2023 were $373.1 million and $378.2 million respectively.

A reconciliation of income taxes at the U.S. federal statutory rate to the provision for income taxes is as follows (in thousands):

	Year Ended December 31, 2025	
	$	%
U.S. federal statutory rate	$ 349,535	21.0 %
State and local income taxes, net of federal benefit(1)	36,394	2.2 %
Foreign tax effects	(12,607)	(0.8)%
Effects of changes in tax laws or rates enacted in the current period	(49,289)	(3.0)%
Effect of cross-border tax laws		
Foreign-derived intangible income	(34,240)	(2.1)%
Tax Credits		
Research and development tax credits	(59,998)	(3.6)%
Changes in valuation allowances	123,243	7.4%
Nontaxable or nondeductible items	13,528	0.8%
Changes in unrecognized tax benefits	14,208	0.9%
Other adjustments	(2,973)	(0.1)%
Effective income tax rate	$ 377,801	22.7%

[1] State taxes in Kentucky, California, and Delaware made up the majority (greater than 50%) of the tax effect in this category.

Our effective tax rate for the year ended December 31, 2025 was higher than the U.S. statutory rate primarily due to state income taxes and an increase in our valuation allowance against certain U.S. deferred tax assets. This was partially offset by tax rate benefits associated with research and development and orphan drug tax credit generations, the foreign derived intangible income deduction and the enactment of U.S. tax legislation discussed below.

As previously disclosed for the years ended December 31, 2024 and 2023, prior to the adoption of ASU 2023-09, the effective income tax rate differs from the U.S. statutory federal income tax rate as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Provision at U.S. federal statutory rate	$ 66,492	$ 175,185
State and local income taxes	51,753	21,145
Foreign tax rate differential	61,026	(96,434)
Income tax credits	(70,989)	(1,433,507)
Change in valuation allowance	21,425	1,572,951
Change in uncertain tax positions	6,418	5,943
Foreign-derived intangible income	(31,786)	(32,891)
Stock based compensation	25,647	20,971
Acquisitions accounted for as research and development expenses	149,287	4,200
Other	4,742	(947)
Provision for income taxes	$ 284,015	$ 236,616

The 2024 acquisitions accounted for as research and development expenses in the table above reflects the impact of non-deductible charges associated with the Escient acquisition. The 2023 foreign tax rate differential in the table above reflects the impact of operations in jurisdictions with tax rates that differ from the U.S. federal statutory rate of 21%. It also includes a tax benefit associated with the remeasurement of foreign deferred tax assets resulting from the cancellation of a tax holiday. The 2023 income tax credits in the table above includes a tax benefit associated with the issuance of non-refundable Swiss income tax credits. The 2023 remeasurement of foreign deferred tax assets and the Swiss income tax credits are fully offset with a valuation allowance in the table above.

Significant components of our deferred tax assets and liabilities are as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carry forwards	$ 304,075	$ 315,969
Income tax credits	1,482,932	1,398,495
Capitalized research and development	554,454	648,989
Deferred revenue and accruals	96,463	190,446
Non-cash compensation	92,482	100,788
Acquisition-related contingent consideration	17,426	27,796
Intangibles, net	219,005	229,741
Long term investments	2,889	6,697
Other	24,582	20,814
Total gross deferred tax assets	2,794,308	2,939,735
Less valuation allowance for deferred tax assets	(2,266,136)	(2,139,673)
Net deferred tax assets	$ 528,172	$ 800,062
Deferred tax liabilities:		
Property and equipment	$ (7,046)	$ (30,676)
Other	(5,832)	(7,315)
Total gross deferred tax liabilities	(12,878)	(37,991)
Net deferred tax assets	$ 515,294	$ 762,071

During the year ended December 31, 2025, the Company's net deferred tax assets decreased by $246.8 million. This was primary due to a deduction associated with the settlement of the Novartis contract dispute and deductions related to previously capitalized domestic research and development expenses arising from the enactment of U.S. tax legislation discussed below. As of December 31, 2025, the Company continues to maintain a valuation allowance on certain U.S. temporary differences, foreign net operating losses ("NOLs") and the non-refundable Swiss income tax credits granted in the year ended December 31, 2023.

The valuation allowance for deferred tax assets increased by approximately $126.5 million during the year ended December 31, 2025 and increased by approximately $43.4 million during the year ended December 31, 2024. The valuation allowance increase during 2025 was primarily due to future deductible temporary differences mainly associated with foreign research and development expenses required to be capitalized and amortized and the effects of translation of our foreign tax assets that require a valuation allowance. The valuation allowance increase during 2024 was primarily due to future deductible temporary differences mainly associated with U.S. research and development expenses required to be capitalized and amortized and the acquisition of Escient's U.S. NOLs, a portion of which was not more-likely-than-not to be realized as of December 31, 2024.

As of December 31, 2025, we had NOL carryforwards, research and development credit carryforwards and foreign income tax credit carryforwards as follows (in thousands):

	Amount	Expiring if not utilized
Net operating loss carryforwards		
Federal	$ 72,370	Indefinite
State	926,027	2027 through 2045; indefinite
Foreign	1,743,380	2026 through 2041; indefinite
Research and development credit carryforwards		
Federal	$ 9,431	2039 through 2044
State	14,310	2026 through 2043
Swiss income tax credit carryforwards	1,469,989	2028

The federal NOL and tax credit carryforward are subject to an annual limitation under Internal Revenue Code Section 382.

The financial statement recognition of the benefit for a tax position is dependent upon the benefit being more likely than not to be sustainable upon audit by the applicable taxing authority. If this threshold is met, the tax benefit is then measured and recognized at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. If such unrecognized tax benefits were realized, we would recognize a tax benefit of $89.0 million. The following table summarizes the gross amounts of unrecognized tax benefits (in thousands):

	Year Ended December 31,	
	2025	2024
Balance at beginning of year	$ 87,723	$ 69,145
Additions related to prior periods tax positions	3,539	9,173
Reductions related to prior periods tax positions	(2,226)	(2,014)
Additions related to current period tax positions	8,749	5,939
Additions related to acquisitions	—	9,114
Settlements	(24)	(71)
Reductions due to lapse of applicable statute of limitations	(333)	(3,538)
Currency translation adjustment	173	(25)
Balance at end of year	$ 97,601	$ 87,723

Our policy is to recognize interest and penalties related to uncertain tax positions, if any, as a component of income tax expense. During the years ending December 31, 2025 and 2024, we recorded interest and penalties as a component of income tax expense of $5.6 million and $8.5 million, respectively. As of December 31, 2025 and 2024, the Company has accrued liabilities of $24.3 million and $18.7 million, respectively, for interest and penalties related to its uncertain tax positions.

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 are currently under U.S. federal audit for tax year 2021.

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.

On July 4, 2025, the U.S. enacted legislation commonly referred to as the One Big Beautiful Bill Act ("OBBBA"). The OBBBA modified key provisions of the Tax Cuts and Jobs Act of 2017, including but not limited to, the expensing of domestic research costs, the deduction for Foreign-Derived Intangible Income, and the Global Intangible Low-Taxed Income regime. The OBBBA introduces multiple elections and features various effective dates, with some provisions effective in 2025 and others in subsequent years.

Under ASC 740, entities are required to recognize the impact of new income tax legislation in the period of enactment. We have reflected a favorable impact to our effective tax rate and the realizability of certain U.S. deferred tax assets in our financial statements for the period ending December 31, 2025. We will continue to evaluate the OBBBA's various provisions and elections for our tax return filing.

Note 15. Net Income Per Share

Our basic net income per share is computed by dividing the net income by the number of weighted average common shares outstanding during the period. Our diluted net income per share is computed by dividing net income by the weighted average common shares outstanding during the period assuming potentially dilutive common shares of stock options, RSUs and PSUs.

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

	Year Ended December 31,		
(in thousands, except per share data)	**2025**	**2024**	**2023**
Basic net income	$ 1,286,650	$ 32,615	$ 597,599
Weighted average common shares outstanding	195,204	207,110	223,628
Basic net income per share	$ 6.59	$ 0.16	$ 2.67
Diluted net income	$ 1,286,650	$ 32,615	$ 597,599
Weighted average common shares outstanding	195,204	207,110	223,628
Dilutive stock options and awards	5,496	3,420	2,300
Weighted average shares used to compute diluted net income per share	200,700	210,530	225,928
Diluted net income per share	$ 6.41	$ 0.15	$ 2.65

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

	2025	**2024**	**2023**
Outstanding stock options and awards	8,300,526	12,905,281	12,710,250

Note 16. 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 was $22.4 million, $20.6 million and $18.9 million for the years ended December 31, 2025, 2024 and 2023, 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 pension plans assumptions reflect the expected investment return and discount rate on plan assets and disability rate probabilities. The benefit obligation at December 31, 2025 for the plans was determined using a discount rate of 1.20% and rate of compensation increase of 2.00%. The 2025 net periodic benefit cost for the plans was determined using discount rates of 0.90%, rates of compensation increase of 2.25% and long term expected return on plan assets of 4.30%. The benefit obligation at December 31, 2024 for the plans was determined using a discount rate of 0.90% and rate of compensation increase of 2.25%. The 2024 net periodic benefit cost for the plans was determined using discount rates of 1.30%, rates of compensation increase of 2.25% and long term expected return on plan assets of 5.50%.

Summarized information regarding changes in the obligations and plan assets, the funded status and the amounts recorded were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Benefit obligation, beginning of year	$ 195,487	$ 169,667
Employer service cost	16,428	12,121
Interest cost	1,973	2,010
Plan participants' contributions	6,614	5,067
Actuarial (gain) loss	(5,251)	17,443
Transfer of benefits net of payments from fund	(4,294)	1,382
Expenses paid from assets	(121)	(101)
Translation loss (gain)	27,680	(12,102)
Benefit obligation, end of year	238,516	195,487
Fair value of plan assets, beginning of year	149,636	128,482
Actual return on plan assets	11,990	13,562
Employer contributions	12,344	10,278
Plan participants' contributions	6,614	5,067
Transfer of benefits net of payments from fund	(4,294)	1,382
Expenses paid from assets	(121)	(101)
Translation gain (loss)	21,188	(9,034)
Fair value of plan assets, end of year	197,357	149,636
Unfunded liability, end of year	$ 41,159	$ 45,851

The unfunded liability is reported in other liabilities on the consolidated balance sheets as of December 31, 2025 and 2024. The accumulated benefit obligation is $225.2 million and $182.4 million as of December 31, 2025 and 2024, respectively.

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

	Year Ended December 31,		
	2025	2024	2023
Service cost	$ 16,428	$ 12,121	$ 7,711
Interest cost	1,973	2,010	2,280
Expected return on plan assets	(7,970)	(6,764)	(5,688)
Amortization of prior service cost	878	801	771
Amortization of actuarial losses	1,389	673	—
Net periodic benefit cost	$ 12,698	$ 8,841	$ 5,074

The components of net periodic benefit cost other than the service cost component are included in Other, net on the consolidated statements of operations.

We expect to contribute a total of $12.6 million to the pension plans in 2026. The following payments are expected to be paid from the fund (in thousands):

2026	$ 9,200
2027	10,365
2028	10,944
2029	13,968
2030	11,684
2031-2035	73,326
Total	$ 129,487

Note 17. 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 the Incyte Corporation, as borrower, 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 its 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 the 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 the consolidated leverage ratio. Commitment fees payable on the undrawn amount range from 0.150% 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 December 31, 2025, we were in compliance with all financial and operational covenants under the terms of the Credit Agreement and there were no outstanding borrowings or letters of credit outstanding.

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. 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 December 31, 2025, we have accrued approximately $218.5 million within accrued and other current liabilities on the 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 December 31, 2025, is approximately 6.9%. 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 I, 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" above. Additionally, as described in Note 7, we entered into a settlement and license agreement with Sun, resolving patent infringement litigation related to Leqselvi (deuruxolitinib).

Note 18. 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. Our single operating segment generates revenues 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, that also is reported on the 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, 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 consolidated balance sheet as total consolidated assets.

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

	Year Ended December 31,		
	2025	2024	2023
Product revenues, net	$ 4,354,333	$ 3,618,888	$ 3,165,168
Product royalty revenues	636,909	579,329	523,481
Milestone and contract revenues	150,000	43,000	7,000
Total revenues	5,141,242	4,241,217	3,695,649
Costs, expenses and other:			
Cost of product revenues (including definite-lived intangible amortization)	372,130	312,068	254,990
Contract dispute settlement	(242,251)	—	—
Research and development - internal[1]	984,730	957,043	815,025
Research and development - external[2]	967,848	866,005	775,919
Other research and development[3]	97,574	783,800	36,650
Sales and marketing	1,094,754	945,428	876,703
General and administrative	281,452	296,729	278,959
Asset impairment	76,275	—	5,631
(Gain) loss on change in fair value of acquisition-related contingent consideration	(6,129)	19,803	29,202
(Profit) and loss sharing under collaboration agreements	—	(1,025)	2,045
Other segment items[4]	228,209	28,751	22,926
Net income	$ 1,286,650	$ 32,615	$ 597,599

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 organization, contract research organization 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):

	Twelve Months Ended December 31,		
	2025	2024	2023
United States	$ 4,799,941	$ 3,974,567	$ 3,514,873
Europe	323,734	260,437	175,866
Other countries	17,567	6,213	4,910
Total revenues	$ 5,141,242	$ 4,241,217	$ 3,695,649

Property and Equipment, Net by Geographic Location

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

	Dec 31, 2025	Dec 31, 2024
United States	$ 406,829	$ 474,095
Switzerland	309,802	277,623
Other countries	14,254	11,693
Total property and equipment, net	$ 730,885	$ 763,411

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A. ***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 necessarily 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 Annual Report on Form 10-K, 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 Rule 13a-15(f) under the Exchange Act) for the quarter ended December 31, 2025 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Management's annual report on internal control over financial reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our management, with the participation of our Chief Executive Officer and Principal Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on our evaluation under this framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2025. The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Incyte Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Incyte Corporation's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Incyte Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and our report dated February 10, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania

February 10, 2026

Item 9B. ***Other Information***

(a) On February 6, 2026, we entered into a registration rights agreement (the "Registration Rights Agreement") with 667, L.P. and Baker Brothers Life Sciences, L.P. (the "Baker Entities"), both of which are existing stockholders of our company and are affiliated with the Chairman of our Board of Directors, Julian C. Baker. The Registration Rights Agreement replaces the registration rights agreement we entered into with the Baker Entities in February 2016 that continued in effect for 10 years. Under the Registration Rights Agreement, we agreed that, if requested by the Baker Entities, we would register our securities held by the Baker Entities for resale under the Securities Act of 1933. Our registration obligations under the Registration Rights Agreement cover all of our securities now held or later acquired by the Baker Entities, will continue in effect for up to 10 years, and include our obligation to facilitate certain underwritten public offerings of our securities by the Baker Entities in the future. The Registration Rights Agreement is filed as Exhibit 10.25 to this report and the description of the terms of the Registration Rights Agreement is qualified in its entirety by reference to such exhibit.

(b) During the three months ended December 31, 2025, the following officer (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934) of our Company adopted a prearranged trading plan relating to our common stock and intended to satisfy the affirmative defense conditions of Rule 10b5–1(c) under the Securities Exchange Act of 1934.

Pablo Cagnoni, our President, Research and Development, adopted a trading plan on November 20, 2025 providing for the sale of up to an aggregate of 56,002 shares of our common stock until November 20, 2026.

During the three months ended December 31, 2025, no director or officer (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934) 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 9C. ***Disclosure Regarding Foreign Jurisdictions that Prevent Inspections***

Not applicable.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

Certain information required by this item is incorporated by reference from the information under the captions "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" contained in our Proxy Statement to be filed with the Securities and Exchange Commission in connection with the solicitation of proxies for our 2026 Annual Meeting of Stockholders to be held on June 8, 2026 (the "Proxy Statement"). Certain information required by this item concerning executive officers is set forth in Part I of this Annual Report on Form 10-K under the caption "Information about our Executive Officers" and is incorporated herein by reference.

We have adopted a Code of Business Conduct and Ethics that applies to all of our officers and employees, including our Chief Executive Officer, Principal Financial Officer, Principal Accounting Officer, Corporate Controller and other employees who perform similar functions. The Code of Business Conduct and Ethics sets forth the basic principles that guide the business conduct of our employees. We have also adopted a Senior Financial Officers' Code of Ethics that specifically applies to our Chief Executive Officer, Principal Financial Officer, Principal Accounting Officer, Corporate Controller, and others providing similar functions. Stockholders may request a free copy of our Code of Business Conduct and Ethics and our Senior Financial Officers' Code of Ethics by contacting Incyte Corporation, Attention: Investor Relations, 1801 Augustine Cut-Off, Wilmington, DE 19803 or by visiting the Corporate Governance section of our website at *investor.incyte.com/corporate-governance*. Our website address listed in the prior sentence and below is intended to be an inactive, textual reference only. None of the materials on, or accessible through, our website are part of this report or are incorporated by reference herein.

To date, there have been no waivers under our Code of Business Conduct and Ethics or Senior Financial Officers' Code of Ethics. We intend to disclose future amendments to certain provisions of our Code of Business Conduct and Ethics or Senior Financial Officers' Code of Ethics or any waivers, if and when granted, of our Code of Business Conduct and Ethics or Senior Financial Officers' Code of Ethics on our website at *www.incyte.com* within four business days following the date of such amendment or waiver.

We have adopted our Policy on Insider Trading governing the purchase or sale of our securities by our officers, employees and members of the Board of Directors, as well as our contractors, consultants, secondees and temporary workers, that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the listing standards of The Nasdaq Stock Market. A copy of our Policy on Insider Trading is filed as Exhibit 19.1 to this Annual Report on Form 10-K.

Information regarding our policies and practices on the timing of equity awards will be included in the Proxy Statement and is incorporated herein by reference.

Our Board of Directors has appointed an Audit and Finance Committee of three directors, currently comprised of Mr. Paul J. Clancy, as Chairman, Dr. Jacqualyn A. Fouse and Dr. Edmund P. Harrigan. The Board of Directors has also determined that Mr. Clancy and Dr. Fouse are each qualified as an Audit Committee Financial Expert under the definition outlined by the Securities and Exchange Commission. In addition, each of the members of the Audit Committee qualifies as an "independent director" under the applicable standards of The Nasdaq Stock Market.

Item 11. ***Executive Compensation***

The information required by this item is incorporated by reference from the information under the captions "Compensation of Directors" and "Executive Compensation" contained in the Proxy Statement.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item is incorporated by reference from the information under the captions "Equity Compensation Plan Information" and "Security Ownership of Certain Beneficial Owners and Management" contained in the Proxy Statement.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this item is incorporated by reference from the information under the captions "Corporate Governance—Certain Relationships and Related Transactions" and "Corporate Governance—Director Independence" contained in the Proxy Statement.

Item 14. ***Principal Accountant Fees and Services***

The information required by this item is incorporated by reference from the information under the caption "Ratification of Independent Registered Public Accounting Firm" contained in the Proxy Statement.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) Documents filed as part of this report:

(1) Financial Statements

Reference is made to the Index to Consolidated Financial Statements of Incyte Corporation under Item 8 of Part II hereof.

(2) Financial Statement Schedules

All financial statement schedules have been omitted because they are not applicable or not required or because the information is included elsewhere in the Consolidated Financial Statements or the Notes thereto.

(3) Exhibits

See Item 15(b) below. Each management contract or compensatory plan or arrangement required to be filed has been identified.

(b) Exhibits

Exhibit Number	Description of Document
3(i)	Integrated copy of the Restated Certificate of Incorporation, as amended, of the Company (incorporated by reference to Exhibit 3(i) to the Company's Annual Report on Form 10-K for the year ended December 31, 2009).
3(ii)	Bylaws of the Company, as amended as of July 27, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023).
4.1	Form of Common Stock Certificate (incorporated by reference to the Exhibit 4.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2002).
4.2	Description of Registrant's Securities Registered under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019).
10.1#	Incyte Corporation Amended and Restated 2010 Stock Incentive Plan, as amended on April 11, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 11, 2025).
10.2#	Form of Global Stock Option Agreement for Executive Officers under the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).
10.3#	Form of Global Restricted Stock Unit Award Agreement under the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).
10.4#	Form of Performance Share Award Agreement under the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020).
10.5#	Form of Nonstatutory Stock Option Agreement for Outside Directors under the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013).
10.6#	Form of Restricted Stock Unit Award Agreement for Outside Directors under the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019).
10.7#	Form of U.S. Stock Option Agreement for Executive Officers under the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024).
10.8#	Form of U.S. Restricted Stock Unit Award Agreement under the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024).
10.9#	Incyte Corporation 2024 Inducement Stock Incentive Plan, as amended June 25, 2025 (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed June 27, 2025).
10.10#	Form of Global Nonstatutory Stock Option Agreement for Executive Officers under the Incyte Corporation 2024 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 99.2 to the Company's Registration Statement on Form S-8 (File No. 333-277043)).
10.11#	Form of Global Restricted Stock Unit Agreement under the Incyte Corporation 2024 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 99.3 to the Company's Registration Statement on Form S-8 (File No. 333-277043)).
10.12#	Form of Performance Share Award Agreement under the Incyte Corporation 2024 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 99.4 to the Company's Registration Statement on Form S-8 (File No. 333-277043)).
10.13#	Form of U.S. Nonstatutory Stock Option Agreement for Executive Officers under the Incyte Corporation 2024 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024).
10.14#	Form of U.S. Restricted Stock Unit Award Agreement for Executive Officers under the Incyte Corporation 2024 Inducement Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024).

Exhibit Number	Description of Document
10.15#	Form of Indemnity Agreement between the Company and its directors and officers (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 33 68138)).
10.16#	1997 Employee Stock Purchase Plan of Incyte Corporation, as amended on April 11, 2025 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 11, 2025).
10.17#	Form of Employment Agreement between the Company and Steven H. Stein (effective as of March 2, 2015), Pablo J. Cagnoni (effective as of June 7, 2023), Matteo Trotta (effective as of March 25, 2024), Lee Heeson (effective as of October 1, 2024), Mohamed Issa (effective as of January 6, 2025), Patrick A. Mayes (effective as of July 21, 2025), Ramitpal K. Basi (effective as of August 25, 2025), David H. Gardner (effective as of September 22, 2025) and Richard Hoffman (effective as of December 1, 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).
10.18#	Offer of Employment Letter, dated April 21, 2023, from the Company to Pablo J. Cagnoni (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023).
10.19#	Transition Agreement between the Company and Hervé Hoppenot, dated as of June 26, 2025 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed June 27, 2025).
10.20#	Offer of Employment Letter, dated June 23, 2025, from the Company to William J. Meury (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed June 27, 2025).
10.21#	Employment Agreement between the Company and William J. Meury, dated as of June 26, 2025 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed June 27, 2025).
10.22#	Incyte Corporation Executive Severance Plan (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025).
10.23†	Collaboration and License Agreement entered into as of November 24, 2009, by and between the Company and Novartis International Pharmaceutical Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).
10.23.1†	Amendment, dated as of April 5, 2016, to Collaboration and License Agreement entered into as of November 24, 2009, by and between the Company and Novartis International Pharmaceutical Ltd. (incorporated by reference to Exhibit 10.1.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).
10.23.2††	Amendment, dated as of March 20, 2020, to the Collaboration and License Agreement entered into as of November 24, 2009, by and between the Company and Novartis International Pharmaceutical Ltd. (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020).
10.23.3††	Extension, dated as of March 12, 2025, to the Amendment, dated as of March 20, 2020, to the Collaboration and License Agreement entered into as of November 24, 2009, by and between the Company and Novartis International Pharmaceutical Ltd. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025).
10.24†	License, Development and Commercialization Agreement, entered into as of December 18, 2009, by and between the Company and Eli Lilly and Company (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).
10.24.1†	Amendment, dated June 22, 2010, to License, Development and Commercialization Agreement entered into as of December 18, 2009, by and between the Company and Eli Lilly and Company (incorporated by reference to Exhibit 10.2.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).
10.24.2†	Third Amendment, entered into effective March 31, 2016, to License, Development and Commercialization Agreement entered into as of December 18, 2009, by and between the Company and Eli Lilly and Company (incorporated by reference to Exhibit 10.2.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019).
10.24.3†	Fourth Amendment, entered into effective December 13, 2016, to License, Development and Commercialization Agreement entered into as of December 18, 2009, by and between the Company and Eli Lilly and Company (incorporated by reference to Exhibit 10.21.4 to Amendment No. 2 on Form 10-K/A to the Company's Annual Report on Form 10-K for the year ended December 31, 2016).

Exhibit Number	Description of Document
10.24.4††	Letter Agreement, dated May 13, 2020, between the Company and Eli Lilly and Company, together with related Letter of Understanding, dated March 5, 2020, between the Company and Eli Lilly and Company, each relating to License, Development and Commercialization Agreement entered into as of December 18, 2009 by and between the Company and Eli Lilly and Company (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020).
10.24.5*††	Letter of Understanding, dated October 24, 2025, between the Company and Eli Lilly and Company, relating to the License, Development and Commercialization Agreement entered into as of December 18, 2009 by and between the Company and Eli Lilly and Company.
10.25*	Registration Rights Agreement, dated as of February 6, 2026, between the Company and 667, L.P. and Baker Brothers Life Sciences, L.P.
10.26	Revolving Credit and Guaranty Agreement, dated as of August 18, 2021, among the Company, the guarantors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021).
10.26.1	Amendment No. 1, dated as of May 10, 2023, to Revolving Credit and Guaranty Agreement dated as of August 18, 2021, among the Company, the guarantors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023).
10.26.2	Amendment No. 2, dated as of June 28, 2024, to Revolving Credit and Guaranty Agreement dated as of August 18, 2021, among the Company, the guarantors party thereto, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024).
19.1	Policy on insider trading (incorporated by reference to Exhibit 19.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2024).
21.1*	Subsidiaries of the Company.
23.1*	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
24.1*	Power of Attorney (included on the signature page to this Annual Report on Form 10-K).
31.1*	Rule 13a 14(a) Certification of the Chief Executive Officer.
31.2*	Rule 13a 14(a) Certification of the 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).
97	Incyte Corporation Policy for Recoupment of Erroneously Awarded Compensation (incorporated by reference to Exhibit 97.1 to the Company's Amended Annual Report on Form 10-K/A for the year ended December 31, 2023 filed February 16, 2024).
101	XBRL Instance – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.INS*	XBRL Instance 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 Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-K and will not be deemed "filed" for purpose 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, except to the extent that the registrant specifically incorporates it by reference.
†	Confidential treatment has been granted with respect to certain portions of these agreements.
††	Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.
#	Indicates management contract or compensatory plan or arrangement.

Copies of above exhibits not contained herein are available to any stockholder upon written request to: Investor Relations, Incyte Corporation, 1801 Augustine Cut-Off, Wilmington, DE 19803.

(c) Financial Statements and Schedules

Reference is made to Item 15(a)(2) above.

Item 16. ***Form 10-K Summary.***

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: February 10, 2026

By: /s/ WILLIAM J. MEURY
William J. Meury
President, and Chief Executive Officer
(Principal Executive Officer)

Dated: February 10, 2026

By: /s/ THOMAS TRAY
Thomas Tray
Vice President and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints William Meury, Thomas Tray, and Richard Hoffman, and each of them, his or her true and lawful attorneys-in-fact, each with full power of substitution, for him or her in any and all capacities, to sign any amendments to this report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact or their substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ WILLIAM J. MEURY William J. Meury	President and Chief Executive Officer (Principal Executive Officer)	February 10, 2026
/s/ THOMAS TRAY Thomas Tray	Vice President and Chief Accounting Officer (Principal Financial Officer and Principal Accounting Officer)	February 10, 2026
/s/ JULIAN C. BAKER Julian C. Baker	Director	February 10, 2026
/s/ JEAN-JACQUES BIENAIMÉ Jean-Jacques Bienaimé	Director	February 10, 2026
/s/ OTIS W. BRAWLEY Otis W. Brawley	Director	February 10, 2026
/s/ PAUL J. CLANCY Paul J. Clancy	Director	February 10, 2026
/s/ JACQUALYN A. FOUSE Jacqualyn A. Fouse	Director	February 10, 2026
/s/ EDMUND P. HARRIGAN Edmund P. Harrigan	Director	February 10, 2026
/s/ KATHERINE A. HIGH Katherine A. High	Director	February 10, 2026
/s/ SUSANNE SCHAFFERT Susanne Schaffert	Director	February 10, 2026

Exhibit 10.24.5

Certain identified information, marked by [***], has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the Company treats as private or confidential.

Incyte Corporation
1801 Augustine Cut-Off
Wilmington, DE 19803
Tel 302.498.6700
Web www.incyte.com

October 24, 2025

Jeremy Huckstep
Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285

RE: Letter of Understanding concerning addition of Type 1 Diabetes Mellitus indication as a Field, revision of royalty rate, upfront and quarterly payments, and Market and Sales Support minimum removal (this "Letter of Understanding")

Dear Jeremy:

Unless otherwise defined herein, all capitalized terms appearing in this Letter of Understanding shall have the meanings set forth in the License, Development and Commercialization Agreement by and between Incyte Corporation ("Incyte") and Eli Lilly and Company ("Lilly") effective December 18, 2009, as amended June 22, 2010, August 1, 2011, March 31, 2016 and December 13, 2016 and subject to the Letters of Understanding dated August 6, 2015, March 5, 2020, May 13, 2020, June 23, 2020 and May 7, 2021 (collectively, the "Agreement").

WHEREAS, Incyte and Lilly (the "Parties") entered into the Agreement;

WHEREAS, Lilly has requested relief from Incyte from the minimum combined Marketing and Sales Support amount for each [***] set forth in Section 5.1(a) of the Agreement of "the lesser of [***] or [***] of total sales of such Licensed Product in such Calendar [Year]", and Incyte has agreed to provide such relief;

WHEREAS, Lilly has requested to add Type 1 Diabetes Mellitus as an Additional Field in accordance with Section 2.4 of the Agreement, and Incyte has agreed to expand the Field to include this Additional Field;

WHEREAS, Lilly has requested, and Incyte has agreed, to exclude Type 1 Diabetes Mellitus from milestone payments payable by Lilly under Section 7.2(a) of the Agreement; and

WHEREAS, Incyte and Lilly have agreed to simplify the royalty rates set forth in the Agreement (but excluding the COVID-19 Field-Specific Incremental Royalties, which additional royalties will remain at [***] as set forth in the Letter of Understanding dated May 13, 2020).

NOW THEREFORE, the Parties hereby agree as follows, effective (except as otherwise set forth below) as of the date of last signature below (the "LOU Effective Date"):

1) **Up-Front Payments Due to Incyte**.

   a. Within [***], Lilly shall pay to Incyte a one-time, non-creditable, non-refundable payment of One Hundred Million U.S. Dollars (US$100,000,000).

   b. Within [***], Lilly shall pay to Incyte a one-time, non-creditable, non-refundable payment of the amount, if any, by which (i) the aggregate royalties payable or paid by Lilly to Incyte pursuant to Section 7.3 of the Agreement with respect to the [***] are less than (ii) [***].

   Pursuant to section 7.7 of the Agreement, Lilly hereby provides notice that effective as of [***], all payments due from Lilly to Incyte under the Agreement, including under this Letter of Agreement, shall be made by [***]. Lilly further certifies that [***].

2) **Addition of Type 1 Diabetes Mellitus Definition**. A new definition is added as Section 1.77A of the Agreement as follows:

   "Type 1 Diabetes Mellitus" means the chronic autoimmune disease with both genetic and environmental contributions that results over time in an immune-mediated loss of functional pancreatic β-cell mass, leading to symptomatic diabetes and lifelong insulin dependence, known as Type 1 diabetes mellitus as defined in Subsection E10 of International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM). For clarity, Type 1 Diabetes Mellitus is a continuum that progresses sequentially and includes (a) susceptibility (pre-Stage 1), (b) the presence of β-cell autoimmunity (Stage 1), (c) early dysglycemia (Stage 2) and (d) symptomatic disease (Stage 3).

3) **Treatment of Type 1 Diabetes Mellitus as an Additional Field**.

   a. Type 1 Diabetes Mellitus shall be deemed to be an "Additional Field" in accordance with Section 2.4 of the Agreement, and Section 1.22 of the Agreement is hereby amended and restated in its entirety as follows:

"Field" means the treatment, control, management, mitigation, prevention or cure of **(a)** any and all Inflammatory Disease Indications **or (b) Type 1 Diabetes Mellitus, in either case ((a) or (b)),** in humans and animals in any formulation or dosage form, process or delivery method, but not including the Topical Field.

4) **Non-applicability of Section 2.4 (Field Expansion) Milestone Provisions to Type 1 Diabetes Mellitus; No Other Development and Regulatory Milestone Payments Due for Type 1 Diabetes Mellitus**. The final sentence of Section 2.4 of the Agreement is hereby amended and restated in its entirety as follows (language struck through is hereby removed and only left in this Letter of Understanding to show the deletion):

"The milestone payments set forth in Section 7.2(a)(i) shall apply as follows for the Lead Compound and in Section 7.2(a)(ii) for a Licensed Back-Up Compound when Developed for such Additional Field: (a) subject to clause (c), [***] payments shall apply for [***] means an [***] in [***]; ~~and~~ (b) subject to clause (c), [***] payments shall apply for [***] means an [***] in [***]; and (c) notwithstanding the foregoing clause (a) or clause (b), in no event shall Type 1 Diabetes Mellitus be deemed [***] and no milestones set forth in Section 7.2(a) shall apply to, and Lilly shall have no obligation to pay Incyte any milestone payments set forth in Section 7.2(a) for, Type 1 Diabetes Mellitus. For clarity, Net Sales of Licensed Products for Type 1 Diabetes Mellitus shall be included in Net Sales of Licensed Products for purposes of determining the achievement of the milestone events set forth in Section 7.2(b) and for purposes of determining royalties payable in Section 7.3."

5) **Adjustment of Royalty Rates**.

a. Section 7.3(a) of the Agreement is hereby amended and restated in its entirety as follows:

"(a) Royalty Payments and Mechanics. Subject to Section 7.3(b), Section 7.3(c) and Section 7.3(e), with respect to each Calendar Quarter during the period beginning with [***] through the earlier of [***] and [***] (such period, "Minimum Royalty Term") Lilly shall pay to Incyte within [***] after the end of each such Calendar Quarter a royalty in an amount based upon worldwide Net Sales of all Licensed Products in such Calendar Quarter ("Quarterly Royalty Payment") as follows:

Worldwide Quarterly Net Sales	Quarterly Royalty Payment
On the portion of Quarterly Net Sales less than or equal to [***]	[***]
On any portion of Quarterly Net Sales greater than [***] and less than or equal to [***]	[***]
On any portion of Quarterly Net Sales greater than [***]	[***]

Subject to Section 7.3(b), Section 7.3(c) and Section 7.3(e), after the date of expiration of the Minimum Royalty Term until the end of the applicable Royalty Term (or, if earlier, the end of the Term), on a Licensed Product-by-Licensed Product basis, Lilly shall pay to Incyte within [***] after the end of each Calendar Quarter a royalty in an amount equal to [***] of the worldwide Net Sales of all Licensed Products in such Calendar Quarter, in lieu of the Quarterly Royalty Payments set forth in the table above. For clarity, following the expiration of the Minimum Royalty Term, all royalties shall be calculated solely at the rate of [***] of worldwide Net Sales, with no minimum or maximum limit on the amount payable."

b. Section 7.3(c) of the Agreement is hereby amended and restated in its entirety as follows:

"(c) In the event that Generic Competition exists with respect to Licensed Product(s) in the Field in one (1) or more countries within the Territory during any Calendar Quarter during the applicable Royalty Term(s) for such country(ies), the following shall apply:

(i) During the Minimum Royalty Term, if worldwide quarterly Net Sales exceed [***] in such Calendar Quarter (such excess Net Sales, the "**Excess Net Sales**"), the royalty rate of [***] set forth in Section 7.3(a) for the Quarterly Royalty Payment shall be reduced to [***] on Excess Net Sales for such Calendar Quarter up to an amount equal to the aggregate Net Sales of Licensed Products in such countries with Generic Competition in such Calendar Quarter.

(ii) After the expiration of the Minimum Royalty Term, irrespective of the level of worldwide quarterly Net Sales, the royalty rate applicable to Net Sales of Licensed Products in countries with Generic Competition shall be reduced to [***] for such Net Sales.

The foregoing reductions shall apply solely to Net Sales in each affected country in which Generic Competition exists (or existed if the reductions are retroactively applied) and shall be retroactively applied for the relevant Calendar Quarter.

By way of example:

(i) If in a Calendar Quarter during the Minimum Royalty Term, worldwide quarterly Net Sales are [***], Generic Competition exists in Japan, and Net Sales in Japan are [***], then [***] of such Net Sales in Japan shall be subject to the reduction of royalties from [***] to [***]; and

(ii) If in a Calendar Quarter after the expiration of the Minimum Royalty Term, regardless of the level of worldwide Quarterly Net Sales, Generic Competition exists in Japan, and Net Sales in Japan are [***], then all [***] of such Net Sales in Japan shall be subject to the reduction of royalties from [***] to [***]."

c. Section 7.3(d) of the Agreement is hereby deleted in its entirety**.**

6) **Removal of Lilly's minimum combined Marketing and Sales Support**.

a. The second sentence of Section 5.1(a) of the Agreement is hereby amended and restated in its entirety as follows (language struck through is hereby removed and only left in this Letter of Understanding to show the deletion):

"Notwithstanding the foregoing, Lilly shall (i) Commercialize [***] after receipt of the relevant Regulatory Approval; (ii) Commercialize [***] in at least [***] after receipt of the relevant Regulatory Approval; (iii) **[RESERVED]**~~maintain minimum combined Marketing and Sales Support (aggregated for all markets) per each~~ [***] ~~period following First Commercial Sale for such Licensed Product of the lesser of~~ [***] ~~or~~ [***] ~~of total sales of such Licensed Product in such Calendar~~; and (iv) reach or

contact, the top [***] of highest prescribing rheumatologists or other appropriate specialist in the United States and the Major EU Countries on average [***] times or more per Calendar Year, beginning in the second full Calendar Year following First Commercial Sale, provided that there are no significant constraints on such Commercialization or contacts imposed by a Regulatory Authority in the respective jurisdictions."

7) **No Conflict**.

   a. Each Party represents and warrants to the other Party that the execution and delivery of this Letter of Understanding and the performance of such Party's obligations hereunder (i) do not conflict with or violate such Party's corporate charter and bylaws or any requirement of applicable Laws and (ii) do not and shall not conflict with, violate or breach or constitute a default or require any consent under, any material oral or written contractual obligation of such Party.

   b. Incyte further represents and warrants that, as of the LOU Effective Date, neither it nor any of its Affiliates has granted to any Third Party any right, license, consent or privilege, in each case, that relate to any Licensed Compounds or Incyte IP with respect to Type 1 Diabetes Mellitus, or otherwise has undertaken any action, either directly or indirectly, that would conflict with the rights granted to Lilly or interfere with any obligations of Lilly set forth in the Agreement or this Letter of Understanding.

   c. Each Party further agrees that it shall not during the term of the Agreement grant any right, license, consent or privilege to any Third Party or otherwise undertake any action, either directly or indirectly, that would conflict with the rights granted to the other Party or interfere with any obligations of such Party set forth in the Agreement or this Letter of Understanding.

8) **No Waiver**. Except as expressly set forth herein, nothing herein shall be deemed to be a waiver by either Party of any of its rights under the Agreement.

9) **Construction**. For purposes of the Agreement, including this Letter of Understanding, (a) the term "non-creditable" means, with respect to each Party, that such Party shall not have the right to credit any payments that are due and payable or have been previously paid to the other Party under the Agreement, including under this Letter of Understanding, against subsequent payments of another type that are owed or payable by such Party to the other Party and (b) the term "non-refundable" shall not preclude a Party from recovering amounts overpaid or erroneously paid to the other Party. Further, any construction of a

payment as “non-refundable” or “non-creditable” shall not prohibit, limit or restrict a Party’s right to indemnification under the Agreement, including under this Letter of Understanding, or to otherwise obtain or recover damages or other remedies from the other Party, including with respect to amounts paid to such other Party, whether as a result of rescission of this Agreement, as restitution or otherwise.

10) **Other terms and conditions**. All other terms and conditions of the Agreement shall remain in full force and effect.

11) **Dispute Resolution**. Any disputes regarding this Letter of Understanding shall be resolved in accordance with the provisions of Article XII of the Agreement. For clarity, the last sentence of Section 7.4, Section 7.7, Section 13.1, Section 13.2 and Section 13.13 of the Agreement shall apply to this Letter of Understanding.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Parties by their respective authorized representatives have executed this Letter of the Understanding, and it is therefore effective, as of the date of last signature below.

Sincerely,
INCYTE CORPORATION

/s/ Dave Gardner
By: Dave Gardner
Title: Executive Vice President, Chief Strategy Officer
Date: 10/24/25

Acknowledged and Agreed:
ELI LILLY AND COMPANY

/s/ Dave Ricks
By: Dave Ricks
Title: Chair and Chief Executive Officer
Date: 10/27/25

cc: Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285
Attention: Vice President and President, Established Markets Attention: General Patent Counsel
Facsimile No.: [***]

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made as of February 6, 2026 by and between Incyte Corporation, a Delaware corporation (the "Company"), and the persons listed on the attached Schedule A who are signatories to this Agreement (each, an "Investor", and collectively, the "Investors"). Unless otherwise defined herein, capitalized terms used in this Agreement have the respective meanings ascribed to them in Section 1.

RECITALS

WHEREAS, the Company and the Investors wish to provide for certain arrangements with respect to the registration of the Registrable Securities (as defined below) by the Company under the Securities Act (as defined below).

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and other consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

Section 1.
Definitions

Definitions

1.1. Certain Definitions. In addition to the terms defined elsewhere in this Agreement, as used in this Agreement, the following terms have the respective meanings set forth below:

(a) "Block Trade" shall mean an offering of Registrable Securities which requires both the Investors and the Company to enter into a sale agreement and is limited in scope of selling efforts as compared to an Underwritten Offering.

(b) "Board" shall mean the Board of Directors of the Company.

(c) "Commission" shall mean the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

(d) "Common Stock" shall mean the common stock of the Company, par value $0.001 per share.

(e) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(f) "Governmental Entity" shall mean any federal, state, local or foreign government, or any department, agency, or instrumentality of any government; any public international organization, any transnational governmental organization; any court of competent jurisdiction, arbitral, administrative agency, commission, or other governmental regulatory authority or quasi-governmental authority, any political party; and any national securities exchange or national quotation system.

(g) "Other Securities" shall mean securities of the Company, other than Registrable Securities (as defined below).

(h) "Person" shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

(i) "Registrable Securities" shall mean all securities of the Company (whether debt, equity, or otherwise) and any Common Stock issued or issuable upon the exercise or conversion of any such securities of the Company, in each case that is now owned or hereafter acquired by any of the Investors. Registrable Securities shall cease to be Registrable Securities upon the earliest to occur of the following events: (i) such Registrable Securities have been sold pursuant to an effective Registration Statement; (ii) such Registrable Securities have been sold by the Investors pursuant to Rule 144 (or other similar rule), (iii) at any time after any of the Investors become an affiliate of the Company, such Registrable Securities may be resold by the Investor holding such Registrable Securities without limitations as to volume or manner of sale pursuant to Rule 144; or (iv) ten (10) years after the date of this Agreement. For purposes of this definition, in order to determine whether an Investor is an "affiliate" (as such term is defined and used in Rule 144, and including for determining whether volume or manner of sale limitations of Rule 144 apply) the parties will assume that all convertible securities (whether equity, debt or otherwise) have been converted into Common Stock.

(j) The terms "register," "registered" and "registration" shall refer to a registration effected by preparing and filing a Registration Statement in compliance with the Securities Act, and such Registration Statement becoming effective under the Securities Act.

(k) "Registration Expenses" shall mean all expenses incurred by the Company in effecting any registration pursuant to this Agreement, including, without limitation, all registration, qualification, and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, up to (1) $50,000 of reasonable out-of-pocket legal expenses of one outside counsel for Investors (if different from the Company's counsel and if such counsel is reasonably approved by the Company) in connection with the preparation and filing of the Resale Registration Shelf (as defined below), and (2) up to $50,000 of reasonable out-of-pocket legal expenses of one outside counsel for the Investors (if different from the Company's counsel and if such counsel is reasonably approved by the Company) per Underwritten Offering, blue sky fees and expenses, and expenses of any regular or special audits incident to or required by any such registration, but shall not include Selling Expenses.

(l) "Registration Statement" means any registration statement of the Company filed with, or to be filed with, the Commission under the Securities Act, including the related prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement as may be necessary to comply with applicable securities laws other than a registration statement (and related prospectus) filed on Form S-4 or Form S-8 or any successor forms thereto.

(m) "Rule 144" shall mean Rule 144 as promulgated by the Commission under the Securities Act, as such rule may be amended from time to time, or any similar successor rule that may be promulgated by the Commission.

(n) "Securities Act" shall mean the Securities Act of 1933, as amended, or any similar successor federal statute and the rules and regulations thereunder, all as the same shall be in effect from time to time.

(o) "Selling Expenses" shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities, the fees and expenses of any legal counsel (except as provided in the definition of "Registration Expenses") and any other advisors any of

the Investors engage and all similar fees and commissions relating to the Investors' disposition of the Registrable Securities.

(p) "Underwritten Offering" shall mean a public offering of Registrable Securities pursuant to an effective registration statement under the Securities Act (other than pursuant to a registration statement on Form S-4 or S-8 or any similar or successor form) which requires the Investors and the Company to enter into an underwriting agreement.

Section 2.
Resale Registration Rights

2.1 Resale Registration Rights.

(a) Following demand by any Investor the Company shall file with the Commission a Registration Statement on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance with the Securities Act) covering the resale of the Registrable Securities by the Investors (the "Resale Registration Shelf"), and the Company shall file such Resale Registration Shelf as promptly as reasonably practicable following such demand, and in any event within sixty (60) days of such demand Such Resale Registration Shelf shall include a "final" prospectus, including the information required by Item 507 of Regulation S-K of the Securities Act, as provided by the Investors in accordance with Section 2.7. Notwithstanding the foregoing, before filing the Resale Registration Shelf, the Company shall furnish to the Investors a copy of the Resale Registration Shelf and afford the Investors an opportunity to review and comment on the Resale Registration Shelf. The Company's obligation pursuant to this Section 2.1(a) is conditioned upon the Investors providing the information contemplated in Section 2.7.

(b) The Company shall use its reasonable best efforts to cause the Resale Registration Shelf and related prospectuses to become effective as promptly as practicable after filing. The Company shall use its reasonable best efforts to cause such Registration Statement to remain effective under the Securities Act until the earlier of the date (i) all Registrable Securities covered by the Resale Registration Shelf have been sold or may be sold freely without limitations or restrictions as to volume or manner of sale pursuant to Rule 144 or (ii) all Registrable Securities covered by the Resale Registration Shelf otherwise cease to be Registrable Securities pursuant to the definition of Registrable Securities. The Company shall promptly, and within two (2) business days after the Company confirms the effectiveness of the Resale Registration Shelf with the Commission, notify the Investors of the effectiveness of the Resale Registration Shelf.

(c) Notwithstanding anything contained herein to the contrary, the Company shall not be obligated to effect, or to take any action to effect, a registration pursuant to Section 2.1(a):

(i) if the Company has and maintains an effective Registration Statement on Form S-3ASR that provides for the resale of an unlimited number of securities by selling stockholders (a "Company Registration Shelf");

(ii) during the period forty-five (45) days prior to the Company's good faith estimate of the date of filing of a Company Registration Shelf; or

(iii) if the Company has caused a Registration Statement to become effective pursuant to this Section 2.1 during the prior twelve (12) month period.

(d) If the Company has a Company Registration Shelf in place at any time in which the Investors make a demand pursuant to Section 2.1(a), the Company shall file with the Commission, as promptly as practicable, and in any event within fifteen (15) business days after such demand, a "final" prospectus supplement to its Company Registration Shelf covering the resale of the Registrable Securities by the Investors (the "Prospectus"); provided, however, that the Company shall not be obligated to file more than one Prospectus pursuant to this Section 2.1(d) in any six month period to add additional Registrable Securities to the Company Registration Shelf that were acquired by the Investors other than directly from the Company or in an underwritten public offering by the Company. The Prospectus shall include the information required under Item 507 of Regulation S-K of the Securities Act, which information shall be provided by the Investors in accordance with Section 2.7. Notwithstanding the foregoing, before filing the Prospectus, the Company shall furnish to the Investors a copy of the Prospectus and afford a single outside counsel (in addition to any inside counsel) of the Investors an opportunity to review and comment on the Prospectus.

(e) Deferral and Suspension. At any time after being obligated pursuant to this Agreement to file a Resale Registration Shelf or Prospectus, or after any such Resale Registration Shelf has become effective or such Prospectus has been filed with the Commission, the Company may defer the filing of or suspend the use of any such Resale Registration Shelf or Prospectus, upon giving written notice of such action to the Investors with a certificate signed by the Chief Executive Officer of the Company stating that in the good faith judgment of the Board, the filing or use of any such Resale Registration Shelf or Prospectus covering the Registrable Securities would be seriously detrimental to the Company or its stockholders at such time and that the Board concludes, as a result, that it is in the best interests of the Company and its stockholders to defer the filing or suspend the use of such Resale Registration Shelf or Prospectus at such time. The Company shall have the right to defer the filing of or suspend the use of such Resale Registration Shelf or Prospectus for a period of not more than one hundred twenty (120) days from the date the Company notifies the Investors of such deferral or suspension; provided that the Company shall not exercise the right contained in this Section 2.1(e) more than once in any twelve month period. In the case of the suspension of use of any effective Resale Registration Shelf or Prospectus, the Investors, immediately upon receipt of notice thereof from the Company, shall discontinue any offers or sales of Registrable Securities pursuant to such Resale Registration Shelf or Prospectus until advised in writing by the Company that the use of such Resale Registration Shelf or Prospectus may be resumed. In the case of a deferred Prospectus or Resale Registration Shelf filing, the Company shall provide prompt written notice to the Investors of (i) the Company's decision to file or seek effectiveness of the Prospectus or Resale Registration Shelf, as the case may be, following such deferral and (ii) in the case of a Resale Registration Shelf, the effectiveness of such Resale Registration Shelf. In the case of either a suspension of use of, or deferred filing of, any Resale Registration Shelf or Prospectus, the Company shall not, during the pendency of such suspension or deferral, be required to take any action hereunder (including any action pursuant to Section 2.2 hereof) with respect to the registration or sale of any Registrable Securities pursuant to any such Resale Registration Shelf, Company Registration Shelf or Prospectus.

(f) Other Securities. Subject to Section 2.2(e) below, any Resale Registration Shelf or Prospectus may include Other Securities, and may include securities of the Company being sold for the account of the Company; *provided* such Other Securities are excluded first from such Registration Statement in order to comply with any applicable laws or request from any Governmental Entity, Nasdaq or any applicable listing agency. No Other Securities may be included in an Underwritten Offering pursuant to Section 2.2 without the consent of the Investors.

2.2 Sales and Underwritten Offerings of the Registrable Securities.

(a) Notwithstanding any provision contained herein to the contrary, the Investors, collectively, shall and subject to the limitations set forth in this Section 2.2, be permitted (i) one Underwritten Offering per calendar year, but no more than three Underwritten Offerings in total, and (ii) no more than two Underwritten Offerings or Block Trades in any twelve month period, to effect the sale or distribution of Registrable Securities.

(b) If the Investors intend to effect an Underwritten Offering or Block Trade pursuant to a Resale Registration Shelf or Company Registration Shelf to sell or otherwise distribute Registrable Securities, they shall so advise the Company and provide as much notice to the Company as reasonably practicable (and, in either case, not less than fifteen (15) business days prior to the Investors' request that the Company file a prospectus supplement to a Resale Registration Shelf or Company Registration Shelf).

(c) In connection with any offering initiated by the Investors pursuant to this Section 2.2 involving an underwriting of shares of Registrable Securities, the Investors shall be entitled to select the underwriter or underwriters for such offering, subject to the consent of the Company, such consent not to be unreasonably withheld, conditioned or delayed.

(d) In connection with any offering initiated by the Investors pursuant to this Section 2.2 involving an Underwritten Offering of Registrable Securities, the Company shall not be required to include any of the Registrable Securities in such underwriting unless the Investors (i) enter into an underwriting agreement in customary form with the underwriter or underwriters, (ii) accept customary terms in such underwriting agreement with regard to representations and warranties relating to ownership of the Registrable Securities and authority and power to enter into such underwriting agreement and (iii) complete and execute all questionnaires, powers of attorney, custody agreements, indemnities and other documents as may be requested by such underwriter or underwriters. Further, the Company shall not be required to include any of the Registrable Securities in an Underwritten Offering or Block Trade if (Y) the underwriting/sale agreement proposed by the underwriter or underwriters contains representations, warranties or conditions that are not reasonable in light of the Company's then-current business (for the avoidance of doubt, the limitation in this clause (Y) is not related to the Company's then-current disclosure, which may need to be updated prior to such offering) or (Z) the underwriter, underwriters or the Investors require the Company to participate in any marketing, roadshow or comparable activity that may be required to complete the orderly sale of shares by the underwriter or underwriters.

(e) If the total amount of securities to be sold in any offering initiated by the Investors pursuant to this Section 2.2 involving an underwriting of shares of Registrable Securities exceeds the amount that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities (subject in each case to the cutback provisions set forth in this Section 2.2(e)), that the underwriters and the Company determine in their sole discretion shall not jeopardize the success of the offering. If the Underwritten Offering has been requested pursuant to Section 2.2(a) hereof, the number of shares that are entitled to be included in the registration and underwriting shall be allocated in the following manner: (a) first, shares of Company equity securities that the Company desires to include in such registration shall be excluded and (b) second, Registrable Securities requested to be included in such registration by the Investors shall be excluded. For the avoidance of doubt, no other person besides the Investors shall be entitled to participate in any Block Trade. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round down the number of shares allocated to any of the Investors to the nearest 100 shares.

2.3 Fees and Expenses. All Registration Expenses incurred in connection with registrations pursuant to this Agreement shall be borne by the Company. All Selling Expenses relating to securities registered on behalf of the Investors shall be borne by the Investors.

2.4 Registration Procedures. In the case of each registration of Registrable Securities effected by the Company pursuant to Section 2.1 hereof, the Company shall keep the Investors advised as to the initiation of each such registration and as to the status thereof. The Company shall use its reasonable best efforts, within the limits set forth in this Section 2.4, to:

(a) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectuses used in connection with such Registration Statement as may be necessary to keep such Registration Statement effective and current and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement;

(b) furnish to the Investors such numbers of copies of a prospectus, including preliminary prospectuses, in conformity with the requirements of the Securities Act, and such other documents as the Investors may reasonably request in order to facilitate the disposition of Registrable Securities;

(c) use its reasonable best efforts to register and qualify the Registrable Securities covered by such Registration Statement under such other securities or blue sky laws of such jurisdictions in the United States as shall be reasonably requested by the Investors, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(d) in the event of any Underwritten Offering or Block Trade, and subject to Section 2.2(d), enter into and perform its obligations under an underwriting agreement or Block Trade sale agreement, in usual and customary form (including any "lock-ups" on behalf of the Company and its directors and officers), with the managing underwriter of such offering and take such other usual and customary action as the Investors may reasonably request in order to facilitate the disposition of such Registrable Securities;

(e) notify the Investors at any time when a prospectus relating to a Registration Statement covering any Registrable Securities is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing. The Company shall use its reasonable best efforts to amend or supplement such prospectus in order to cause such prospectus not to include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(f) provide a transfer agent and registrar for all Registrable Securities registered pursuant to such Registration Statement and, if required, a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(g) if requested by an Investor, use reasonable best efforts to cause the Company's transfer agent to remove any restrictive legend from any Registrable Securities, within two business days following such request;

(h) cause to be furnished, at the request of the Investors, on the date that Registrable Securities are delivered to underwriters for sale in connection with any Underwritten Offering or

Block Trade, (i) an opinion, dated such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering, addressed to the underwriters, and (ii) a letter or letters from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to the underwriters; and

(i) cause all such Registrable Securities included in a Registration Statement pursuant to this Agreement to be listed on each securities exchange or other securities trading markets on which Common Stock is then listed.

2.5 The Investors' Obligations.

(a) Discontinuance of Distribution. The Investors agree that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in Section 2.4(e) hereof, the Investors shall immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement covering such Registrable Securities until the Investors' receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.4(e) hereof or receipt of notice that no supplement or amendment is required and that the Investors' disposition of the Registrable Securities may be resumed. The Company may provide appropriate stop orders to enforce the provisions of this Section 2.5(a).

(b) Compliance with Prospectus Delivery Requirements. The Investors covenant and agree that they shall comply with the prospectus delivery requirements of the Securities Act as applicable to them or an exemption therefrom in connection with sales of Registrable Securities pursuant to any Registration Statement filed by the Company pursuant to this Agreement.

(c) Notification of Sale of Registrable Securities. The Investors covenant and agree that they shall notify the Company following the sale of Registrable Securities to a third party as promptly as reasonably practicable, and in any event within thirty (30) days, following the sale of such Registrable Securities.

2.6 Indemnification.

(a) To the extent permitted by law, the Company shall indemnify the Investors, and, as applicable, their officers, directors, and constituent partners, legal counsel for each Investor and each Person controlling the Investors, with respect to which registration, related qualification, or related compliance of Registrable Securities has been effected pursuant to this Agreement, and each underwriter, if any, and each Person who controls any underwriter within the meaning of the Securities Act against all claims, losses, damages, or liabilities (or actions in respect thereof) to the extent such claims, losses, damages, or liabilities arise out of or are based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in any prospectus or other document (including any related Registration Statement) incident to any such registration, qualification, or compliance, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification, or compliance; and the Company shall pay as incurred to the Investors, each such underwriter, and each Person who controls the Investors or underwriter, any reasonable out-of-pocket legal expenses and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action; provided, however, that the

indemnity contained in this Section 2.6(a) shall not apply to amounts paid in settlement of any such claim, loss, damage, liability, or action if settlement is effected without the consent of the Company (which consent shall not unreasonably be withheld); and provided, further, that the Company shall not be liable in any such case to the extent that any such claim, loss, damage, liability, or expense arises out of or is based upon any violation by such Investor of the obligations set forth in Section 2.5 hereof or any untrue statement or omission contained in such prospectus or other document based upon written information furnished to the Company by the Investors, such underwriter, or such controlling Person and stated to be for use therein or any bad faith or willful misconduct of the Investor.

(b) To the extent permitted by law, each Investor (severally and not jointly) shall, if Registrable Securities held by such Investor are included for sale in the registration and related qualification and compliance effected pursuant to this Agreement, indemnify the Company, each of its directors, each officer of the Company who signs the applicable Registration Statement, each legal counsel and each underwriter of the Company's securities covered by such a Registration Statement, each Person who controls the Company or such underwriter within the meaning of the Securities Act against all claims, losses, damages, and liabilities (or actions in respect thereof) arising out of or based upon (i) any untrue statement (or alleged untrue statement) of a material fact contained in any such Registration Statement, or related document, or (ii) any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by such Investor of Section 2.5 hereof, the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law applicable to such Investor and relating to action or inaction required of such Investor in connection with any such registration and related qualification and compliance, and shall pay as incurred to such persons, any reasonable out-of-pocket legal expenses and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case only to the extent that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in (and such violation pertains to) such Registration Statement or related document in reliance upon and in conformity with written information furnished to the Company by such Investor and stated to be specifically for use therein; provided, however, that the indemnity contained in this Section 2.6(b) shall not apply to amounts paid in settlement of any such claim, loss, damage, liability, or action if settlement is effected without the consent of such Investor (which consent shall not unreasonably be withheld); provided, further, that the Investor shall not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based upon any bad faith willful misconduct or gross negligence of the Company; and provided, further, that such Investor's liability under this Section 2.6(b) (when combined with any amounts such Investor is liable for under Section 2.6(d)) shall not exceed such Investor's net proceeds from the offering of securities made in connection with such registration.

(c) Promptly after receipt by an indemnified party under this Section 2.6 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party under this Section 2.6, notify the indemnifying party in writing of the commencement thereof and generally summarize such action. The indemnifying party shall have the right to participate in and to assume the defense of such claim at its own expense; provided, however, that the indemnifying party shall be entitled to select counsel for the defense of such claim with the approval of any parties entitled to indemnification, which approval shall not be unreasonably withheld; provided further, however, that if either party reasonably determines that there may be a conflict between the position of the Company and the Investors in conducting the defense of such action, suit, or proceeding by reason of recognized claims for indemnity under this Section 2.6, then counsel for such party shall be entitled to conduct the defense to the extent reasonably determined by such counsel to be necessary to

protect the interest of such party. The failure to notify an indemnifying party promptly of the commencement of any such action, if prejudicial to the ability of the indemnifying party to defend such action, shall relieve such indemnifying party, to the extent so prejudiced, of any liability to the indemnified party under this Section 2.6, but the omission so to notify the indemnifying party shall not relieve such party of any liability that such party may have to any indemnified party otherwise than under this Section 2.6.

(d) If the indemnification provided for in this Section 2.6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage, or expense referred to therein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that resulted in such loss, liability, claim, damage, or expense as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission. In no event, however, shall (i) any amount due for contribution hereunder be in excess of the amount that would otherwise be due under Section 2.6(a) or Section 2.6(b), as applicable, based on the limitations of such provisions and (ii) a Person found by a court of competent jurisdiction to be liable for fraudulent misrepresentation (within the meaning of the Securities Act), bad faith or willful misconduct be entitled to contribution from a Person who was not also found by a court of competent jurisdiction to be liable for such fraudulent misrepresentation (within the meaning of the Securities Act), bad faith or willful misconduct.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with an Underwritten Offering, or the Block Trade sale agreement, are in conflict with the foregoing provisions, the provisions in the underwriting agreement or Block Trade sale agreement shall control; provided, however, that the failure of the underwriting agreement to provide for or address a matter provided for or addressed by the foregoing provisions shall not be a conflict between the underwriting agreement or the Block Trade sale agreement and the foregoing provisions.

(f) The obligations of the Company and the Investors under this Section 2.6 shall survive the completion of any offering of Registrable Securities in a Registration Statement under this Agreement or otherwise.

2.7 Information. The Investors shall furnish to the Company such information regarding the Investors and the distribution proposed by the Investors as the Company may reasonably request and as shall be reasonably required in connection with any registration referred to in this Agreement. The Investors agree to, as promptly as practicable (and in any event prior to any sales made pursuant to a prospectus), furnish to the Company all information required to be disclosed in order to make the information previously furnished to the Company by the Investors not misleading. The Investors agree to keep confidential the receipt of any notice received pursuant to Section 2.4(e) and the contents thereof, except as required pursuant to applicable law. Notwithstanding anything to the contrary herein, the Company shall be under no obligation to name the Investors in any Registration Statement or include such Investors' Registrable Securities if the Investors have not provided the information required by this Section 2.7 with respect to the Investors as a selling securityholder in such Registration Statement or any related prospectus.

2.8 Rule 144 Requirements. With a view to making available to the Investors the benefits of Rule 144 and any other rule or regulation of the Commission that may at any time permit the Investors to sell Registrable Securities to the public without registration, the Company agrees to use its reasonable best efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 at all times after the date hereof;

(b) file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act;

(c) prior to the filing of the Registration Statement or any amendment thereto (whether pre-effective or post-effective), and prior to the filing of any prospectus or prospectus supplement related thereto, to provide the Investors with copies of all of the pages thereof (if any) that reference the Investors; and

(d) furnish to any Investor, so long as the Investor owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested by an Investor in availing itself of any rule or regulation of the Commission which permits an Investor to sell any such securities without registration.

2.9 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without prior written consent of the Investors, enter into any agreement with any holder or prospective holder of any securities of the Company which would provide to such holder rights with respect to the registration of such securities under the Securities Act or the Exchange Act that would conflict with or adversely affect any of the rights provided to the Investors in this Section 2; it being understood and agreed that any subsequent agreement of the Company with any holder or prospective holder of any securities of the Company of the same class (or convertible into or exchangeable for securities of the same class) as the Registrable Securities granting such Person rights under this Section 2 equivalent to the rights of the Investors under this Section 2 will not be prohibited by the terms of this Section 2.9.

Section 3.
Miscellaneous

3.1 Amendment. No amendment, alteration or modification of any of the provisions of this Agreement shall be binding unless made in writing and signed by each of the Company and the Investors.

3.2 Injunctive Relief. It is hereby agreed and acknowledged that it shall be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved Person shall be irreparably damaged and shall not have an adequate remedy at law. Any such Person shall, therefore, be entitled (in addition to any other remedy to which it may be entitled in law or in equity) to injunctive relief, including, without limitation, specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

3.3 Notices. All notices required or permitted under this Agreement must be in writing and sent to the address or facsimile number identified below. Notices must be given: (a) by personal delivery, with receipt acknowledged; (b) by electronic mail followed by hard copy delivered by the methods under clause (c) or (d); (c) by prepaid certified or registered mail, return receipt requested; or (d) by prepaid reputable overnight delivery service. Notices shall be effective upon receipt. Either party may change its notice address by providing the other party written notice of such change. Notices shall be delivered as follows:

If to the Investors:

Baker Brothers Investments
860 Washington St., 3rd Floor
New York, NY 10014
Attention: Scott Lessing, President
Email: [***]

If to the Company:

Incyte Corporation
1801 Augustine Cut-Off
Wilmington, DE 19803
Attention: Richard Hoffman, General Counsel
E-mail: [***]

3.4 Governing Law; Jurisdiction; Venue; Jury Trial.

(a) This Agreement shall be governed by, and construed in accordance with, the law of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(b) Each of the Company and the Investors irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan, New York and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement and the transactions contemplated herein, or for recognition or enforcement of any judgment, and each of the Company and the Investors irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York state court or, to the fullest extent permitted by applicable law, in such federal court. Each of the Company and the Investors hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Each of the Company and the Investors irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement and the transactions contemplated herein in any court referred to in Section 3.4(b) hereof. Each of the Company and the Investors hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) EACH OF THE COMPANY AND THE INVESTORS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH OF THE COMPANY AND THE INVESTORS (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT EACH OF THE COMPANY AND THE INVESTORS HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

3.5 Successors, Assigns and Transferees. Any and all rights, duties and obligations hereunder shall not be assigned, transferred, delegated or sublicensed by any party hereto without the prior written consent of the other party; provided, however, that the Investors shall be entitled to transfer Registrable Securities to one or more of their affiliates and, solely in connection therewith, may assign their rights hereunder in respect of such transferred Registrable Securities, in each case, so long as such Investor is not relieved of any liability or obligations hereunder, without the prior consent of the Company. Any transfer or assignment made other than as provided in the first sentence of this Section 3.5 shall be null and void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, permitted assigns, heirs, executors and administrators of the parties hereto. The Company shall not consummate any recapitalization, merger, consolidation, reorganization or other similar transaction whereby stockholders of the Company receive (either directly, through an exchange, via dividend from the Company or otherwise) equity (the "Other Equity") in any other entity (the "Other Entity") with respect to Registrable Securities hereunder, unless prior to the consummation thereof, the Other Entity assumes, by written instrument, the obligations under this Agreement with respect to such Other Equity as if such Other Equity were Registrable Securities hereunder.

3.6 Entire Agreement. This Agreement, together with any exhibits hereto, constitute the entire agreement between the parties relating to the subject matter hereof and all previous agreements or arrangements between the parties, written or oral, relating to the subject matter hereof are superseded.

3.7 Waiver. No failure on the part of either party hereto to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of either party hereto in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver thereof; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

3.8 Severability. If any part of this Agreement is declared invalid or unenforceable by any court of competent jurisdiction, such declaration shall not affect the remainder of the Agreement and the invalidated provision shall be revised in a manner that shall render such provision valid while preserving the parties' original intent to the maximum extent possible.

3.9 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs and exhibits shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits attached hereto.

3.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties that execute such counterparts (including by facsimile or other electronic means), and all of which together shall constitute one instrument.

3.11 Term and Termination. The Investors' rights to demand the registration of the Registrable Securities under this Agreement, as well as the Company's obligations under Section 2.1 hereof, shall terminate automatically once all Registrable Securities cease to be Registrable Securities pursuant to the terms of this Agreement.

[*Remainder of Page Intentionally Left Blank; Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement effective as of the day, month and year first above written.

COMPANY:

INCYTE CORPORATION

By: /s/ Richard Hoffman
Name: Richard Hoffman
Title: Executive Vice President and General Counsel

[Signature Page to Registration Rights Agreement]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement effective as of the day, month and year first above written.

INVESTORS:

667, L.P.

By: BAKER BROS. ADVISORS LP, management company and investment adviser to 667, L.P., pursuant to authority granted to it by Baker Biotech Capital, L.P., general partner to 667, L.P., and not as the general partner

By: /s/ Scott L. Lessing
Scott L. Lessing
President

BAKER BROTHERS LIFE SCIENCES, L.P.

By: BAKER BROS. ADVISORS LP, management company and investment adviser to BAKER BROTHERS LIFE SCIENCES, L.P., pursuant to authority granted to it by Baker Brothers Life Sciences Capital, L.P., general partner to BAKER BROTHERS LIFE SCIENCES, L.P., and not as the general partner

By: /s/ Scott L. Lessing
Scott L. Lessing
President

Schedule A

The Investors

667, L.P.
BAKER BROTHERS LIFE SCIENCES, L.P.

To the above Investors:
Baker Brothers Investments
860 Washington Street
New York, NY 10014
Attn: Scott Lessing
Email: [***]

Exhibit 21.1

SUBSIDIARIES

Subsidiary	Jurisdiction of Incorporation
Escient Pharmaceuticals, Inc.	Delaware
Escient Pharmaceuticals Australia Pty Ltd	Australia
Incyte Holdings Corporation	Delaware
Incyte Real Estate Holdings I LLC	Delaware
Incyte Real Estate Holdings II LLC	Delaware
Incyte Research Institute LLC	Delaware
Villaris Therapeutics Inc.	Delaware
Incyte International Holdings Corporation	Delaware
Incyte Biosciences Canada Corporation	Canada
Incyte International Holdings S.à r.l.	Luxembourg
Incyte Biosciences International S.à r.l.	Switzerland
Incyte Biosciences Austria GmbH	Austria
Incyte Biosciences Denmark ApS	Denmark
Incyte Biosciences Finland Oy	Finland
Incyte Biosciences France	France
Incyte Biosciences Germany GmbH	Germany
Incyte Biosciences Italy S.R.L.	Italy
Incyte Biosciences Distribution B.V.	Netherlands
Incyte Biosciences Benelux B.V.	Netherlands
Incyte Biosciences Norway AS	Norway
Incyte Biosciences Iberia S.L.	Spain
Incyte Biosciences Nordic AB	Sweden
Incyte Biosciences Poland sp. z o.o.	Poland
Incyte Biosciences UK Ltd	UK
Incyte Biosciences Technical Operations S.à r.l.	Switzerland
Incyte Biosciences Australia Pty Ltd	Australia
Incyte Biosciences Japan G.K.	Japan
Incyte Biosciences (Shanghai) Co., Ltd.	China
Jidochem S.à r.l.	Switzerland

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 No. 333-284808) of Incyte Corporation,

(2) Registration Statements (Form S-8 Nos. 333-31409 and 333-288139) pertaining to the 1997 Employee Stock Purchase Plan of Incyte Corporation,

(3) Registration Statements (Form S-8 Nos. 333-167526, 333-174918, 333-182218, 333-189424, 333-197907, 333-212104, 333-225181, 333-231129, 333-257041, 333-273057, and 333-288137) pertaining to the Incyte Corporation Amended and Restated 2010 Stock Incentive Plan, and

(4) Registration Statements (Form S-8 No. 333-277043 and 333-288483) pertaining to the Incyte Corporation 2024 Inducement Stock Incentive Plan;

of our reports dated February 10, 2026, with respect to the consolidated financial statements of Incyte Corporation and the effectiveness of internal control over financial reporting of Incyte Corporation included in this Annual Report (Form 10-K) of Incyte Corporation for the year ended December 31, 2025.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
February 10, 2026

Exhibit 31.1

CERTIFICATION

I, William J. Meury, certify that:

1. I have reviewed this annual report on Form 10-K 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.

Date: February 10, 2026

/s/ WILLIAM J. MEURY

William J. Meury
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Thomas Tray, certify that:

1. I have reviewed this annual report on Form 10-K 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.

Date: February 10, 2026

/s/ THOMAS TRAY

Thomas Tray

Vice President and Chief Accounting Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

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

With reference to the Annual Report of Incyte Corporation (the "Company") on Form 10-K for the year ended December 31, 2025, 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
February 10, 2026

Exhibit 32.2

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

With reference to the Annual Report of Incyte Corporation (the "Company") on Form 10-K for the year ended December 31, 2025, 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)
February 10, 2026