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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 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 or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1801 Augustine Cut-Off Wilmington, DE 19803	**19803**
(Address of principal executive offices)	(Zip Code)

(302) 498-6700

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

The number of outstanding shares of the registrant's Common Stock, $.001 par value, was 196,322,703 as of October 21, 2025.

INCYTE CORPORATION

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PART I: FINANCIAL INFORMATION
Item 1. Financial Statements

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

	September 30, 2025	December 31, 2024*
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,455,006	$ 1,687,829
Marketable securities—available-for-sale (amortized cost $473,126 and $469,917 as of September 30, 2025 and December 31, 2024, respectively; allowance for credit losses $0 as of September 30, 2025 and December 31, 2024)	474,814	470,263
Accounts receivable	895,890	853,154
Inventory	83,447	58,872
Prepaid expenses and other current assets	368,732	168,912
Total current assets	4,277,889	3,239,030
Restricted cash	1,843	1,622
Long term equity investments	21,870	18,814
Inventory	366,510	348,327
Property and equipment, net	798,634	763,411
Finance lease right-of-use assets, net	28,155	30,803
Other intangible assets, net	119,421	113,803
Goodwill	155,593	155,593
Deferred income tax asset	528,138	762,071
Other assets, net	32,303	10,848
Total assets	$ 6,330,356	$ 5,444,322
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 171,925	$ 197,465
Accrued compensation	168,250	188,677
Accrued and other current liabilities	948,439	1,212,048
Finance lease liabilities	4,491	4,419
Acquisition-related contingent consideration	45,624	39,238
Total current liabilities	1,338,729	1,641,847
Acquisition-related contingent consideration	138,376	153,762
Finance lease liabilities	30,881	33,542
Other liabilities	171,176	167,543
Total liabilities	1,679,162	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	—	—
Common Stock, $0.001 par value; 400,000,000 shares authorized; 196,130,993 and 193,434,305 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	196	193
Additional paid-in capital	4,721,953	4,533,437
Accumulated other comprehensive income (loss)	14,555	(13,121)
Accumulated deficit	(85,510)	(1,072,881)
Total stockholders' equity	4,651,194	3,447,628
Total liabilities and stockholders' equity	$ 6,330,356	$ 5,444,322

* The condensed consolidated balance sheet at December 31, 2024 has been derived from the audited consolidated financial statements at that date.

See accompanying notes.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues:				
Product revenues, net	$ 1,149,856	$ 962,992	$ 3,131,544	$ 2,599,481
Product royalty revenues	171,124	156,879	452,863	420,038
Milestone and contract revenues	45,000	18,000	50,000	43,000
Total revenues	1,365,980	1,137,871	3,634,407	3,062,519
Costs, expenses and other:				
Cost of product revenues (including definite-lived intangible amortization)	99,001	85,993	250,955	223,583
Contract dispute settlement	—	—	(242,251)	—
Research and development	506,584	573,174	1,438,780	2,140,814
Selling, general and administrative	329,081	309,209	985,794	915,447
(Gain) loss on change in fair value of acquisition-related contingent consideration	(12,204)	23,410	22,129	23,847
(Profit) and loss sharing under collaboration agreements	—	—	—	(1,025)
Total costs, expenses and other	922,462	991,786	2,455,407	3,302,666
Income (loss) from operations	443,518	146,085	1,179,000	(240,147)
Interest income	26,781	19,266	74,846	107,512
Interest expense	(592)	(774)	(1,846)	(1,861)
Gain (loss) on equity investments	8,558	(12,982)	3,064	126,206
Other, net	4,043	4,929	19,446	11,196
Income before provision for income taxes	482,308	156,524	1,274,510	2,906
Provision for income taxes	58,139	50,068	287,139	171,503
Net income (loss)	$ 424,169	$ 106,456	$ 987,371	$ (168,597)
Net income (loss) per share:				
Basic	$ 2.17	$ 0.55	$ 5.08	$ (0.80)
Diluted	$ 2.11	$ 0.54	$ 4.95	$ (0.80)
Shares used in computing net income (loss) per share:				
Basic	195,670	192,629	194,459	211,763
Diluted	201,429	195,838	199,405	211,763

See accompanying notes.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (loss)	$ 424,169	$ 106,456	$ 987,371	$ (168,597)
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	156	15,228	24,661	(2,185)
Unrealized gain on marketable securities, net of tax	375	5,463	1,342	3,463
Defined benefit pension gain, net of tax	585	384	1,673	1,271
Other comprehensive income (loss)	1,116	21,075	27,676	2,549
Comprehensive income (loss)	$ 425,285	$ 127,531	$ 1,015,047	$ (166,048)

See accompanying notes.

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
Balances at January 1, 2025	$ 193	$ 4,533,437	$ (13,121)	$ (1,072,881)	$ 3,447,628
Issuance of 363,987 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units, net of shares withheld for taxes	—	(6,215)	—	—	(6,215)
Issuance of 1,208 shares of Common Stock for services rendered	—	82	—	—	82
Stock compensation	—	60,982	—	—	60,982
Other comprehensive income	—	—	6,883	—	6,883
Net income	—	—	—	158,203	158,203
Balances at March 31, 2025	$ 193	$ 4,588,286	$ (6,238)	$ (914,678)	$ 3,667,563
Issuance of 64,400 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 261,762 shares of Common Stock under the ESPP	1	13,972	—	—	13,973
Issuance of 1,220 shares of Common Stock for services rendered	—	82	—	—	82
Stock compensation	—	64,609	—	—	64,609
Other comprehensive income	—	—	19,677	—	19,677
Net income	—	—	—	404,999	404,999
Balances at June 30, 2025	$ 194	$ 4,666,949	$ 13,439	$ (509,679)	$ 4,170,903
Issuance of 2,011,476 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units, net of shares withheld for taxes	2	(6,676)	—	—	(6,674)
Issuance of 962 shares of Common Stock for services rendered	—	82	—	—	82
Stock compensation	—	61,598	—	—	61,598
Other comprehensive income	—	—	1,116	—	1,116
Net income	—	—	—	424,169	424,169
Balances at September 30, 2025	$ 196	$ 4,721,953	$ 14,555	$ (85,510)	$ 4,651,194

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

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
Balances at January 1, 2024	$ 224	$ 5,016,122	$ 13,106	$ 160,385	$ 5,189,837
Issuance of 245,228 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units, net of shares withheld for taxes	—	(5,697)	—	—	(5,697)
Issuance of 1,359 shares of Common Stock for services rendered	—	80	—	—	80
Stock compensation	—	59,781	—	—	59,781
Other comprehensive loss	—	—	(19,278)	—	(19,278)
Net income	—	—	—	169,548	169,548
Balances at March 31, 2024	$ 224	$ 5,070,286	$ (6,172)	$ 329,933	$ 5,394,271
Issuance of 71,769 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 291,735 shares of Common Stock under the ESPP	—	13,792	—	—	13,792
Issuance of 1,345 shares of Common Stock for services rendered	—	80	—	—	80
Stock compensation	—	56,637	—	—	56,637
Repurchases of Common Stock	(33)	(758,061)	—	(1,265,778)	(2,023,872)
Other comprehensive income	—	—	752	—	752
Net loss	—	—	—	(444,601)	(444,601)
Balances at June 30, 2024	$ 191	$ 4,382,734	$ (5,420)	$ (1,380,446)	$ 2,997,059
Issuance of 1,060,300 shares of Common Stock upon exercise of stock options and settlement of employee restricted stock units, net of shares withheld for taxes	1	(31,270)	—	—	(31,269)
Issuance of 1,242 shares of Common Stock for services rendered	—	80	—	—	80
Stock compensation	—	77,922	—	—	77,922
Repurchases of Common Stock	—	—	—	(103)	(103)
Other comprehensive income	—	—	21,075	—	21,075
Net income	—	—	—	106,456	106,456
Balances at September 30, 2024	$ 192	$ 4,429,466	$ 15,655	$ (1,274,093)	$ 3,171,220

See accompanying notes.

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

	Nine Months Ended September 30,	
	2025	**2024**
Cash flows from operating activities:		
Net income (loss)	$ 987,371	$ (168,597)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	69,304	66,515
Stock-based compensation	187,189	194,340
Deferred income taxes	234,188	(85,609)
Other, net	3,445	(4,824)
(Gain) on equity investments	(3,064)	(126,206)
Loss on change in fair value of acquisition-related contingent consideration	22,129	23,847
Changes in operating assets and liabilities:		
Accounts receivable	(42,275)	(14,893)
Prepaid expenses and other assets	(221,275)	(55,381)
Inventory	(53,654)	(93,352)
Accounts payable	(26,414)	69,109
Accrued and other liabilities	(286,747)	149,170
Net cash provided by (used in) operating activities	870,197	(45,881)
Cash flows from investing activities:		
Sale of equity investments	8	282,866
Capital expenditures	(36,990)	(68,879)
Payments for intangible assets	(25,000)	(13,900)
Purchases of marketable securities	(212,852)	(228,986)
Maturities of marketable securities	209,643	207,881
Net cash (used in) provided by investing activities	(65,191)	178,982
Cash flows from financing activities:		
Repurchases 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	61,553	16,242
Tax withholdings related to restricted and performance share vesting	(60,469)	(39,416)
Payment of finance lease liabilities	(3,386)	(2,761)
Payment of contingent consideration	(15,298)	(11,216)
Net cash used in financing activities	(36,700)	(2,041,941)
Effect of exchange rates on cash, cash equivalents, and restricted cash	(908)	(535)
Net increase (decrease) in cash, cash equivalents, and restricted cash	767,398	(1,909,375)
Cash, cash equivalents, and restricted cash at beginning of period	1,689,451	3,215,221
Cash, cash equivalents, and restricted cash at end of period	$ 2,456,849	$ 1,305,846
Supplemental Schedule of Cash Flow Information		
Income taxes paid	$ 185,221	$ 302,860
Cash paid for contract dispute settlement	$ 294,881	$ —
Unpaid excise tax on repurchase of Common Stock	$ —	$ 19,185
Unpaid purchases of property and equipment	$ 4,158	$ 3,538
Leased assets obtained in exchange for new operating lease liabilities	$ 3,163	$ 2,436
Leased assets obtained in exchange for new finance lease liabilities	$ 438	$ 1,959

See accompanying notes.

INCYTE CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025
(Unaudited)

Note 1. Organization and Business

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

Note 2. Summary of Significant Accounting Policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. The condensed consolidated balance sheet as of September 30, 2025, the condensed consolidated statements of operations, comprehensive income (loss), and stockholders' equity for the three and nine months ended September 30, 2025 and 2024, and the condensed consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024, are unaudited, but include all adjustments, consisting only of normal recurring adjustments, which we consider necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. The condensed consolidated balance sheet at December 31, 2024 has been derived from our audited consolidated financial statements.

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

Results for any interim period are not necessarily indicative of results for any future interim period or for the entire year. The accompanying financial statements should be read in conjunction with the financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024.

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

Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recent Accounting Pronouncements and Regulatory Updates

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. We are currently evaluating the impact that ASU No. 2023-09 will have on our income tax disclosures and the method of adoption. ASU No. 2023-09 does not affect our results of operations, financial condition or cash flows.

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 it 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.

Note 3. Revenues

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
JAKAFI revenues, net	$ 791,071	$ 741,181	$ 2,264,271	$ 2,018,993
OPZELURA revenues, net	187,968	139,272	471,172	346,691
ICLUSIG revenues, net	37,582	29,745	99,855	86,950
PEMAZYRE revenues, net	22,741	20,661	63,373	58,606
MINJUVI/MONJUVI revenues, net	41,990	31,439	102,672	86,429
NIKTIMVO revenues, net	45,830	—	95,597	—
ZYNYZ revenues, net	22,674	694	34,604	1,812
Total product revenues, net	1,149,856	962,992	3,131,544	2,599,481
JAKAVI product royalty revenues	125,645	115,741	327,504	304,653
OLUMIANT product royalty revenues	37,111	34,796	101,393	97,087
TABRECTA product royalty revenues	6,513	5,928	19,558	16,460
Other product royalty revenues	1,855	414	4,408	1,838
Total product royalty revenues	171,124	156,879	452,863	420,038
Milestone and contract revenues	45,000	18,000	50,000	43,000
Total revenues	$ 1,365,980	$ 1,137,871	$ 3,634,407	$ 3,062,519

For further information on the MINJUVI/MONJUVI revenues, refer to Note 6, and for further information on our revenue-generating contracts, refer to Note 8.

Note 4. Fair Value of Financial Instruments

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

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
September 30, 2025				
Debt securities (government)	$ 473,126	$ 1,804	$ (116)	$ 474,814
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 September 30, 2025 (in thousands):

	Total	Less than 1 Year	1-5 Years
Fair value of debt securities (government)	$ 474,814	$ 177,755	$ 297,059

Debt security assets were assessed for risk of expected credit losses. As of September 30, 2025 and December 31, 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 September 30, 2025 and December 31, 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 three and nine months ended September 30, 2025.

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 September 30, 2025
Cash and cash equivalents	$ 2,455,006	$ —	$ —	$ 2,455,006
Debt securities (government)	—	474,814	—	474,814
Long term equity investments (Note 8)	21,870	—	—	21,870
Total assets	$ 2,476,876	$ 474,814	$ —	$ 2,951,690

	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 8)	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 September 30, 2025
Acquisition-related contingent consideration	$ —	$ —	$ 184,000	$ 184,000
Total liabilities	$ —	$ —	$ 184,000	$ 184,000

	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
Balance at January 1,	$ 193,000
Contingent consideration earned during the period but not yet paid	(10,797)
Payments made during the period	(20,332)
Change in fair value of contingent consideration	22,129
Balance at September 30,	$ 184,000

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 condensed consolidated statements of operations. The valuation inputs utilized to estimate the fair value of the contingent consideration as of September 30, 2025 and December 31, 2024 included a discount rate of 10% and updated projections of future net revenues of ICLUSIG in the European Union and other countries for the approved third line treatment. The change in fair value of the contingent consideration during the three and nine months ended September 30, 2025 was due primarily to updated projections of future net revenues of ICLUSIG, including the impacts from fluctuations in foreign currency exchange rates, and the passage of time.

We generally make payments to Takeda Pharmaceutical Company Limited quarterly based on the royalties earned in the previous quarter. As of September 30, 2025 and December 31, 2024, contingent consideration earned but not yet paid was $10.8 million and $10.0 million, respectively, and was included in accrued and other current liabilities.

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

In November 2009, we entered into a collaboration and license agreement with Novartis Pharma AG (formerly known as Novartis Pharmaceutical International Ltd.) (“Novartis”). In December 2009, we entered into a license, development and commercialization agreement with Eli Lilly and Company (“Lilly”). The above collaboration partners comprised, in aggregate, 20% and 19% of the accounts receivable balance as of September 30, 2025 and December 31, 2024, respectively. For further information relating to these collaboration and license agreements, refer to Note 8.

In November 2011, we began commercialization and distribution of JAKAFI and in October 2021, we began commercialization and distribution of OPZELURA. Our product revenues are concentrated in a number of customers for these products. The concentration of credit risk related to our JAKAFI and OPZELURA product revenues is as follows:

	Percentage of Total Net Product Revenues for the Three Months Ended		Percentage of Total Net Product Revenues for the Nine Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Customer A	14 %	15 %	13 %	15 %
Customer B	8 %	10 %	9 %	10 %
Customer C	20 %	20 %	21 %	19 %
Customer D	15 %	13 %	15 %	13 %
Customer E	10 %	10 %	10 %	10 %
Customer F	11 %	8 %	10 %	9 %

We are exposed to risks associated with extending credit to customers related to the sale of products. Customers A, B, C, D, E and F comprised, in the aggregate, 59% and 54% of the accounts receivable balance as of September 30, 2025 and December 31, 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 September 30, 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. As of September 30, 2025 and December 31, 2024, we had no allowance for doubtful accounts.

Note 6. Acquisitions

Tafasitamab

On February 5, 2024, pursuant to a purchase agreement with MorphoSys AG and MorphoSys US Inc., a wholly-owned subsidiary of MorphoSys AG (together 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. We recognize revenue and costs for all U.S. commercialization and clinical development of tafasitamab and MorphoSys is no longer eligible to receive future milestone, profit split or 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 U.S. Food and Drug Administration's ("FDA") acceptance of the Biologics License Application filing for the use of tafasitamab for follicular lymphoma. 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 condensed consolidated balance sheet as of September 30, 2025. The intangible asset will be amortized through cost of product revenues over the estimated useful life of 8 years. Xencor is entitled to receive up to an additional $149.0 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), is 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 condensed consolidated statements of operations for the quarter ended June 30, 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 was $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 condensed consolidated statements of operations during nine months ended September 30, 2024.

Note 7. Inventory

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

	September 30, 2025	December 31, 2024
Raw materials	$ 30,730	$ 27,590
API and Work-in-process	354,360	331,178
Finished goods	64,867	48,431
Total inventory	$ 449,957	$ 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 September 30, 2025, $83.4 million of inventory was classified as current on the condensed consolidated balance sheet as we expect this inventory to be consumed for commercial use within the next twelve months. At September 30, 2025, $366.5 million of inventory was classified as non-current on the condensed 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 condensed consolidated statements of operations. At September 30, 2025, inventory with approximately $45.4 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 7 to 43 months and, as a result, cost of product revenues will reflect a lower average per unit cost of materials.

Note 8. 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 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 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 September 30, 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 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 condensed 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 condensed consolidated statement of operations for nine months ended September 30, 2025.

During the three and nine months ended September 30, 2025, such royalties on net sales within the United States totaled $19.3 million and $67.8 million, respectively, and were reflected in cost of product revenues on the condensed consolidated statements of operations. During the three and nine months ended September 30, 2024, such royalties on net sales within the United States totaled $36.3 million and $93.9 million, respectively, and were reflected in cost of product revenues on the condensed consolidated statements of operations. At September 30, 2025 and December 31, 2024, approximately $19.4 million and $507.4 million, respectively, of accrued royalties were included in accrued and other current liabilities on the condensed consolidated balance sheets.

We also are eligible to receive tiered, double-digit royalties ranging from the upper-teens to the mid-twenties on future JAKAVI (the trade name used by Novartis for ruxolitinib sales outside of the United States) net sales outside of the United States, and tiered, worldwide royalties on TABRECTA net sales that range from 12% to 14%. Product royalty revenue related to Novartis' net sales of JAKAVI outside of the United States for the three and nine months ended September 30, 2025, was $125.6 million and $327.5 million, respectively. Product royalty revenue related to Novartis' net sales of JAKAVI outside of the United States for the three and nine months ended September 30, 2024, was $115.7 million and $304.7 million, respectively. Product royalty revenue related to Novartis' net sales of TABRECTA worldwide for the three and nine months ended September 30, 2025, was $6.5 million and $19.6 million, respectively. Product royalty revenue related to Novartis' net sales of TABRECTA worldwide for the three and nine months ended September 30, 2024, was $5.9 million and $16.5 million, respectively.

Lilly – Baricitinib

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

Under this agreement, we were initially eligible to receive up to $150.0 million for the achievement of development milestones, up to $365.0 million for the achievement of regulatory milestones and up to $150.0 million for the achievement of sales milestones. Since the inception of the agreement through September 30, 2025, we have recognized and received, in aggregate, $149.0 million for the achievement of development milestones, $335.0 million for the achievement of regulatory milestones and $50.0 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 will receive an upfront payment of $100.0 million. 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.

Product royalty revenue related to Lilly net sales of OLUMIANT outside of the United States for the three and nine months ended September 30, 2025 was $37.1 million and $101.4 million, respectively. Product royalty revenue related to Lilly net sales of OLUMIANT outside of the United States for the three and nine months ended September 30, 2024 was $34.8 million and $97.1 million, respectively.

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 will become effective in February 2026, unless Agenus agrees to accelerate the notice period.

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 three and nine months ended September 30, 2024, we recorded an unrealized loss of $6.8 million and $6.7 million, respectively, based on the 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 three and nine months ended September 30, 2024, we recorded realized and unrealized losses of $4.1 million and realized and unrealized gains of $106.1 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 (formerly MGA012), an investigational monoclonal antibody that inhibits PD-1. Except as set forth in the succeeding sentence, we have sole authority over and bear all costs and expenses in connection with the development and commercialization of INCMGA0012 in all indications, whether as a monotherapy or as part of a combination regimen. MacroGenics has retained the right to develop and commercialize, at its cost and expense, its pipeline assets in combination with INCMGA0012. In addition, MacroGenics has the right to manufacture a portion of both companies' global clinical and commercial supply needs of INCMGA0012.

Since the inception of the agreement, inclusive of amendments to the agreement, through September 30, 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 6, 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 nine months ended September 30, 2024, we recorded a realized gain of $30.7 million, 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 6, 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 share equally the profits and losses from the co-commercialization efforts in the United States. Sales of axatilimab outside the United States are subject to our royalty payment obligations to Syndax, as set forth below. We and Syndax have agreed to co-develop axatilimab and to share development costs associated with global and U.S.-specific clinical trials, with Incyte responsible for 55% of such costs and Syndax responsible for 45% of such costs. Each company is responsible for funding any independent development activities.

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 condensed consolidated balance sheet as of September 30, 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 September 30, 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. Syndax is eligible to receive up to $207.5 million in future contingent development and regulatory milestones and up to $230.0 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 September 30, 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 September 30, 2025 and December 31, 2024 was $21.9 million and $18.8 million, respectively. For the three and nine months ended September 30, 2025, we recorded an unrealized gain of $8.6 million and $3.1 million, respectively, based on the change in fair value of Syndax's common stock during the respective periods. For the three and nine months ended September 30, 2024, we recorded an unrealized loss of $1.9 million and $3.4 million, respectively, based on the change in fair value of Syndax's common stock during the respective periods.

Research and development expenses for the three and nine months ended September 30, 2025, includes $6.3 million and $16.3 million, respectively, related to our 55% share of the co-development costs for axatilimab. Research and development expenses for the three and nine months ended September 30, 2024, includes $5.8 million and $17.6 million, respectively, related to our 55% share of the co-development costs for axatilimab. At September 30, 2025 and December 31, 2024, $1.7 million and $2.2 million, respectively, was included in accrued and other liabilities on the condensed consolidated balance sheet for amounts due to Syndax under the agreement.

China Medical Systems Holdings Limited

In March 2024, we entered into a Collaboration and License Agreement with China Medical System Skinhealth, a wholly-owned dermatology medical aesthetic company and subsidiary of China Medical System Holdings Limited (“CMSHL”), for the development and commercialization of povorcitinib, a selective oral JAK1 inhibitor, in certain indications in certain Asian territories. In March 2024, we recognized an upfront payment under this agreement of $25.0 million upon our transfer of the functional intellectual property related to povorcitinib to CMSHL which was recorded in milestone and contract revenues on the condensed consolidated statement of operations during the first quarter of 2024. We are eligible to receive additional potential development and commercial milestones, as well as royalties on net sales of the licensed product in CMSHL’s territory. CMSHL received an exclusive license to develop and commercialize and a non-exclusive license to manufacture povorcitinib in autoimmune and inflammatory dermatologic diseases, including non-segmental vitiligo, hidradenitis suppurativa, prurigo nodularis, asthma and chronic spontaneous urticaria, for patients in mainland China, Hong Kong, Macau, Taiwan and certain countries in Southeast Asia.

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 condensed consolidated statement of operations for the three and nine months ended September 30, 2025, and has agreed to pay to us ongoing royalty payments. The amount associated with the settlement component is de minimis.

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 9. Property and Equipment, net

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

	September 30, 2025	December 31, 2024
Office equipment	$ 24,388	$ 23,710
Laboratory equipment	252,268	229,797
Computer equipment	148,723	156,859
Land	16,101	15,395
Building and leasehold improvements	627,938	597,342
Operating lease right-of-use assets	20,113	22,230
Construction in progress	69,706	46,062
	1,159,237	1,091,395
Less accumulated depreciation and amortization	(360,603)	(327,984)
Property and equipment, net	$ 798,634	$ 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. During the year ended December 31, 2024, we capitalized $4.9 million of land and $19.5 million of building and parking garage. As of September 30, 2025 we have $48.1 million of construction in progress relating to the downtown Wilmington properties.

Note 10. Accrued and Other Current Liabilities

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

	September 30, 2025	December 31, 2024
Royalties	$ 36,937	$ 519,881
Clinical related costs	157,684	132,446
Sales allowances	599,863	438,053
Sales and marketing	48,912	33,439
Accrued taxes	5,512	23,781
Operating lease liabilities	5,895	5,583
Other current liabilities	93,636	58,865
Total accrued and other current liabilities	$ 948,439	$ 1,212,048

For further information on the change in accrued royalties refer to Note 8.

Note 11. Stockholders' Equity

2010 Stock Incentive Plan. Under our Amended and Restated 2010 Stock Incentive Plan, as amended (the "2010 Stock Plan"), we may issue common stock to employees, non-employee directors, consultants, and scientific advisors. Awards under the 2010 Stock Plan include stock options, restricted stock units ("RSUs") and performance shares ("PSUs").

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

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 condensed 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 condensed consolidated balance sheet as of September 30, 2025 as costs to repurchase our common stock. The purchased shares were cancelled and ceased to be outstanding.

Note 12. Other Comprehensive Income (Loss)

The following tables summarize the activity related to each component of other comprehensive income (loss) during the nine months ended September 30, 2025 and 2024:

(Amounts presented net of taxes)	Foreign Currency Translation Gains (Loss)	Net Unrealized Gains (Losses) on Marketable Securities	Defined Benefit Pension Plans	Accumulated Other Comprehensive Gain (Loss)
Balances at January 1, 2025	$ 26,457	$ 346	$ (39,924)	$ (13,121)
Other comprehensive income before reclassifications	24,661	1,342	—	26,003
Net amount reclassified from accumulated other comprehensive loss	—	—	1,673	1,673
Net other comprehensive income	24,661	1,342	1,673	27,676
Balances at September 30, 2025	$ 51,118	$ 1,688	$ (38,251)	$ 14,555

(Amounts presented net of taxes)	Foreign Currency Translation Gains (Loss)	Net Unrealized Gains (Losses) on Marketable Securities	Defined Benefit Pension Plans	Accumulated Other Comprehensive Gain (Loss)
Balances at January 1, 2024	$ 44,181	$ (149)	$ (30,926)	$ 13,106
Other comprehensive (loss) income before reclassifications	(2,185)	3,463	—	1,278
Net amount reclassified from accumulated other comprehensive loss	—	—	1,271	1,271
Net other comprehensive (loss) income	(2,185)	3,463	1,271	2,549
Balances at September 30, 2024	$ 41,996	$ 3,314	$ (29,655)	$ 15,655

Note 13. Stock Compensation

We recorded $61.6 million and $187.2 million of stock compensation expense on our condensed consolidated statements of operations for the three and nine months ended September 30, 2025, respectively. We recorded $77.9 million and $194.3 million of stock compensation expense on our condensed consolidated statements of operations for the three and nine months ended September 30, 2024, respectively. Stock compensation expense included within our condensed consolidated statements of operations included research and development expense of $39.7 million, $114.1 million, $45.8 million and $117.1 million for the three and nine months ended September 30, 2025 and 2024, respectively. Stock compensation expense included within our condensed consolidated statements of operations also included selling, general and administrative expense of $21.0 million, $70.5 million, $31.5 million and $75.6 million for the three and nine months ended September 30, 2025 and 2024, respectively. Stock compensation expense included within our condensed consolidated statements of operations also included cost of product revenues of $0.9 million, $2.6 million, $0.6 million and $1.6 million respectively, for the three and nine months ended September 30, 2025 and 2024.

Additionally, as described in Note 6, as part of the Escient acquisition, during the nine months ended September 30, 2024, 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 condensed consolidated statements of operations.

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

	Employee Stock Options				Employee Stock Purchase Plan			
	For the Three Months Ended		For the Nine Months Ended		For the Three Months Ended		For the Nine Months Ended	
	September 30,				September 30,			
	2025	2024	2025	2024	2025	2024	2025	2024
Average risk-free interest rates	3.99 %	4.18 %	4.13 %	4.15 %	3.83 %	4.38 %	4.03 %	4.96 %
Average expected life (in years)	5.17	5.17	5.01	5.02	0.50	0.50	0.50	0.50
Volatility	29 %	29 %	29 %	30 %	32 %	28 %	35 %	24 %
Weighted-average fair value (in dollars)	$ 23.58	$ 21.54	$ 23.45	$ 21.02	$ 14.72	$ 12.11	$ 14.95	$ 11.27

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

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

	Shares Subject to Outstanding Options	
	Shares	Weighted Average Exercise Price
Balance at December 31, 2024	12,777,974	$ 83.45
Options granted	1,331,262	$ 71.04
Options exercised	(667,616)	$ 71.32
Options cancelled	(590,480)	$ 82.55
Balance at September 30, 2025	12,851,140	$ 82.83

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

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

	Shares Subject to Outstanding Awards	
	Shares	Grant Date Value
Balance at December 31, 2024	8,656,803	$ 67.81
RSUs granted	3,422,768	$ 68.71
PSUs granted	873,728	$ 56.72
Additional PSUs earned	32,148	$ 70.45
RSUs released	(2,500,344)	$ 71.11
PSUs released	(143,776)	$ 77.67
RSUs cancelled	(341,581)	$ 67.18
PSUs cancelled	(124,489)	$ 75.76
Balance at September 30, 2025	9,875,257	$ 66.59

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

We grant PSUs with performance and/or service-based milestones with graded and/or cliff vesting over three to six years. The shares of our common stock into which each PSU may convert is subject to a multiplier based on the level at which the financial, developmental and market performance conditions are achieved over the service period. Compensation expense for PSUs with financial and developmental performance conditions is recorded over the estimated service period for each milestone when the performance conditions are deemed probable of achievement. For PSUs containing performance conditions which were not deemed probable of achievement, no stock compensation expense is recorded. Compensation expense for PSUs with market performance conditions is calculated using a Monte Carlo simulation model as of the date of grant and recorded over the requisite service period. For the three and nine months ended September 30, 2025 we recorded $2.6 million and $12.6 million, respectively, of stock compensation expense for PSUs on our condensed consolidated statements of operations. For the three and nine months ended September 30, 2024 we recorded $12.3 million and $19.2 million, respectively, of stock compensation expense for PSUs on our condensed consolidated statements of operations.

The following table summarizes our shares available for grant under the 2010 Stock Plan and 2024 Inducement Plan. 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	(6,140,010)
Options, RSUs and PSUs cancelled	1,217,120
Fungible ratio change adjustments	282,731
Balance at September 30, 2025	8,873,452

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

Total compensation cost of options granted but not yet vested, as of September 30, 2025, was $25.6 million, which is expected to be recognized over the weighted average period of approximately 1.4 years. Total compensation cost of RSUs granted but not yet vested, as of September 30, 2025, was $299.9 million, which is expected to be recognized over the weighted average period of approximately 1.8 years. Total compensation cost of PSUs granted but not yet vested, as of September 30, 2025, was $43.9 million, which is expected to be recognized over the weighted average period of 2.4 years, should the underlying performance conditions be deemed probable of achievement.

Note 14. Income Taxes

For the three and nine months ended September 30, 2025 and 2024, we recorded the following provisions for income taxes and effective tax rates as compared to our income before provision for income taxes (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income before provision for income taxes	$ 482,308	$ 156,524	$ 1,274,510	$ 2,906
Provision for income taxes	58,139	50,068	287,139	171,503
Effective tax rate	12.1%	32.0%	22.5%	5,901.7%

Our effective tax rate for the three months ended September 30, 2025 is lower than the U.S. statutory rate primarily due to a net decrease in our valuation allowance against certain U.S. federal deferred tax assets, resulting from the recently enacted U.S. tax law changes described below. Our effective tax rate for the nine months ended September 30, 2025 was higher than the U.S. statutory rate primarily due to an increase in our valuation allowance against certain U.S. federal and state 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 a decrease in a prior year valuation allowance against certain U.S. federal deferred tax assets, resulting from the recently enacted U.S. tax law changes.

Our effective tax rate for the three months ended September 30, 2024 was higher than the U.S. statutory rate primarily due to foreign losses with no associated tax benefit (i.e., full valuation allowance) and an increase in our valuation allowance against certain U.S. federal and state 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 nine months ended September 30, 2024 was higher than the U.S. statutory rate primarily due to non-deductible charges of $710.9 million associated with the Escient acquisition.

The effective tax rate for the three months ended September 30, 2025 was favorable as compared to the three months ended September 30, 2024 primarily due to the decrease in the valuation allowance against certain U.S. Federal deferred tax assets, resulting from recently enacted U.S. tax law changes described below. The effective tax rate for the nine months ended September 30, 2025 was favorable as compared to the nine months ended September 30, 2024 primarily due to the non-deductible charge associated with the Escient acquisition in the prior year period.

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

One or more of our legal entities file income tax returns in the U.S. and in certain foreign jurisdictions. Our income tax returns may be examined by tax authorities in those jurisdictions. Significant disputes may arise with tax authorities involving issues such as the timing and amount of deductions, the use of tax credits and allocations of income and expenses among various tax jurisdictions because of differing interpretations of tax laws and regulations and relevant facts. In the U.S., the statute of limitations remains open beginning with tax year 2021. We 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 formally titled “An Act to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14” and 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 continue to evaluate the OBBBA’s various provisions and elections, including their expected favorable impact on our effective tax rate and the realizability of deferred tax assets, and have reflected an estimate of these effects in our financial statements for the period ending September 30, 2025.

Note 15. Net Income (Loss) Per Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Basic net income (loss)	$ 424,169	$ 106,456	$ 987,371	$ (168,597)
Weighted average common shares outstanding	195,670	192,629	194,459	211,763
Basic net income (loss) per share	$ 2.17	$ 0.55	$ 5.08	$ (0.80)
Diluted net income (loss)	$ 424,169	$ 106,456	$ 987,371	$ (168,597)
Weighted average common shares outstanding	195,670	192,629	194,459	211,763
Dilutive stock options and awards	5,759	3,209	4,946	—
Weighted average shares used to compute diluted net income (loss) per share	201,429	195,838	199,405	211,763
Diluted net income (loss) per share	$ 2.11	$ 0.54	$ 4.95	$ (0.80)

All stock options and stock awards were excluded from the diluted share calculation for the nine months ended September 30, 2024 because their effect would have been anti-dilutive, as we were in a net loss position. The potential common shares that were excluded from the diluted net income (loss) per share computation are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Outstanding stock options and awards	8,111,846	13,067,516	11,064,833	16,881,330

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 for the three and nine months ended September 30, 2025 was $5.8 million and $17.3 million, respectively. Defined contribution expense for the three and nine months ended September 30, 2024 was $5.2 million and $15.8 million, respectively.

Defined Benefit Pension Plans

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Service cost	$ 4,068	$ 2,537	$ 11,674	$ 7,815
Interest cost	489	750	1,402	1,977
Expected return on plan assets	(1,867)	(1,871)	(5,358)	(5,315)
Amortization of prior service cost	228	217	648	624
Amortization of actuarial losses	357	167	1,025	647
Net periodic benefit cost	$ 3,275	$ 1,800	$ 9,391	$ 5,748

The components of net periodic benefit cost other than the service cost component are included in Other, net on the condensed consolidated statements of operations. We expect to contribute a total of $10.1 million to the pension plans in 2025 inclusive of the amounts contributed to the plan during the current period.

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

Loans under the Credit Agreement will bear interest, at our option, at a per annum rate equal to either (a) a base rate (but not less than 1.00%) plus an applicable rate per annum varying from 0.125% to 0.875% depending on our consolidated leverage ratio or (b) a rate based on the secured overnight financing rate ("SOFR") plus a credit spread adjustment of 0.10% (but not less than 0.00%), plus an applicable rate per annum varying from 1.125% to 1.875% depending on our consolidated leverage ratio. Commitment fees payable on the undrawn commitment range from 0.15% per annum to 0.225% per annum, based on our consolidated leverage ratio. We may, at our option, prepay any borrowings under the Credit Agreement, in whole or in part, at any time and from time to time without premium or penalty, subject to customary exceptions. As of September 30, 2025 and December 31, 2024, we had no outstanding borrowings and were in compliance with all covenants under this facility.

Contingencies

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

We have entered into the collaboration agreements described in Note 8, 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 September 30, 2025, we have accrued approximately $188.9 million within accrued and other current liabilities on the condensed consolidated balance sheet, relating to the incremental rebates that would be owed were OPZELURA considered a line extension of JAKAFI. The impact on OPZELURA gross to net deductions for the quarter ending September 30, 2025 is approximately 6.8%. If OPZELURA is not treated as a line extension of JAKAFI, this would result in a reversal of our accrual and a lower future gross to net deduction for OPZELURA.

In addition, we have various patent disputes and litigation initiated by us related to potential generic or other competition for our products, as described under Part II, Item 1A. "Risk Factors—Risks Relating to Commercialization of Our Products— Competition for our products could harm our business and result in a decrease in our revenue" below. Additionally, as described in Note 8, 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 in our Annual Report on Form 10-K for the year ended December 31, 2024. 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 or loss, that also is reported on the condensed consolidated statements of operations as consolidated net income, to allocate resources (including employees, property, and financial resources), predominantly during the annual budget and forecasting process. The chief operating decision maker also uses consolidated net income or loss, along with non-financial inputs and qualitative information, to evaluate our performance, establish compensation, monitor budget versus actual results, and decide the level of investment in our various operating activities and other capital allocation activities. The measure of segment assets is reported on the condensed consolidated balance sheet as total consolidated assets.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Product revenues, net	$ 1,149,856	$ 962,992	$ 3,131,544	$ 2,599,481
Product royalty revenues	171,124	156,879	452,863	420,038
Milestone and contract revenues	45,000	18,000	50,000	43,000
Total revenues	1,365,980	1,137,871	3,634,407	3,062,519
Costs, expenses and other:				
Cost of product revenues (including definite-lived intangible amortization)	99,001	85,993	250,955	223,583
Contract dispute settlement	—	—	(242,251)	—
Research and development - internal[1]	250,140	250,477	715,171	707,208
Research and development - external[2]	256,344	222,697	695,459	652,805
Other research and development[3]	100	100,000	28,150	780,801
Sales and marketing	272,302	241,880	786,265	687,896
General and administrative	56,779	67,329	199,529	227,551
(Gain) loss on change in fair value of acquisition-related contingent consideration	(12,204)	23,410	22,129	23,847
(Profit) and loss sharing under collaboration agreements	—	—	—	(1,025)
Other segment items[4]	19,349	39,629	191,629	(71,550)
Net income (loss)	$ 424,169	$ 106,456	$ 987,371	$ (168,597)

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

Total Revenues by Geographic Location

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
United States	$ 1,261,261	$ 1,070,040	$ 3,375,171	$ 2,887,233
Europe	100,306	66,464	247,744	171,581
Other countries	4,413	1,367	11,492	3,705
Total revenues	$ 1,365,980	$ 1,137,871	$ 3,634,407	$ 3,062,519

Property and Equipment, Net by Geographic Location

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

	September 30, 2025	December 31, 2024
United States	$ 477,059	$ 474,095
Switzerland	308,107	277,623
Other countries	13,468	11,693
Total property and equipment, net	$ 798,634	$ 763,411

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

The following discussion of our financial condition and results of operations as of and for the three and nine months ended September 30, 2025 should be read in conjunction with the unaudited condensed consolidated financial statements and notes to those statements included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements as of and for the year ended December 31, 2024 included in our Annual Report on Form 10-K for the year ended December 31, 2024 previously filed with the SEC.

Forward-Looking Statements

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

- *the discovery, development, formulation, manufacturing and commercialization of our compounds, our drug candidates and JAKAFI®/JAKAVI® (ruxolitinib), PEMAZYRE® (pemigatinib), ICLUSIG® (ponatinib), MONJUVI®(tafasitamab-cxix) / MINJUVI® (tafasitamab), OPZELURA® (ruxolitinib) cream, ZYNYZ® (retifanlimab-dlwr) and NIKTIMVO™ (axatilimab);*
- *our collaboration and strategic relationship strategy, and anticipated benefits and disadvantages of entering into collaboration agreements;*
- *our licensing, investment and commercialization strategies, including our plans to commercialize our drug products and drug candidates;*
- *the regulatory approval process, including obtaining U.S. Food and Drug Administration and other international regulatory authorities' approval for our products in the United States and abroad;*
- *the safety, effectiveness and potential benefits and indications of our drug candidates and other compounds under development;*
- *the timing, structure and size of our clinical trials; the compounds expected to enter clinical trials; the 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 to use third-party manufacturers;*
- *expected expenses and expenditure levels; expected uses of cash; expectations with respect to the need or ability to raise additional capital; expected revenues and sources of revenues; expectations with respect to inventory;*
- *expectations with respect to reimbursement for our products;*
- *the expected impact of recent accounting pronouncements and changes in tax laws;*
- *expected losses; fluctuation of losses; currency translation impact associated with non-U.S. operations and collaboration royalties;*
- *our profitability; the adequacy of our capital resources to continue operations;*
- *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;*
- *risks relating to changes in pricing and reimbursement in the markets in which we compete;*
- *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;*
- *the risk of civil or criminal penalties if we market our products in a manner that violates health care fraud and abuse and other applicable laws, rules and regulations;*
- *the risk of unanticipated delays in, or discontinuations of, research and development efforts;*
- *the risk that previous preclinical testing or clinical trial results are not necessarily indicative of future clinical trial results;*
- *risks relating to the conduct of our clinical trials, including geopolitical risks;*
- *changing regulatory requirements;*
- *the risk of adverse safety findings;*
- *the risk that results of our clinical trials do not support submission of a marketing approval application for our drug candidates;*
- *risks relating to our reliance on third-party manufacturers, collaborators, and clinical research organizations;*
- *risks relating to 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 similar drug products, 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;*
- *risks relating to our ability to sustain profitability;*
- *risks related to public health pandemics such as the COVID-19 pandemic, natural disasters, or geopolitical events such as the Russian invasion of Ukraine and conflicts in the Middle East; and*
- *the risks set forth under "Risk Factors" in Item 1A of this Quarterly Report on Form 10-Q.*

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

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

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

Summary Risk Factors

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

- We depend heavily on 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.
- If the use of our products harms or is perceived to harm patients, our regulatory approvals could be revoked or otherwise negatively impacted or we could be subject to costly product liability claims.
- 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.
- Health care 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.
- Conflicts between us and our collaborators or 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 future 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.

- If we fail to comply with the extensive legal and regulatory requirements affecting the health care industry, we could face increased costs, penalties and a loss of business.
- 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 product liability lawsuits are brought against us, we could face substantial liabilities and may be required to limit commercialization of our products, and our results of operations could be harmed.
- Because our activities involve the use of hazardous materials, we may be subject to claims relating to improper handling, storage or disposal of these materials that could be time consuming and costly.
- We expect to continue to incur significant expenses to discover and develop drugs, which could result in future losses and impair our achievement of and ability to sustain 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 could give rise to liability, breaches of data security, or reputational damage, which could harm our business and results of operations.

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 office in Tokyo and our Canadian headquarters in Montreal.

We are focused in two therapeutic areas that are defined by the indications of our approved medicines and the diseases for which our clinical candidates are being developed. One therapeutic area is Hematology/Oncology, which comprises Myeloproliferative Neoplasms ("MPNs"), Graft-Versus-Host Disease ("GVHD"), solid tumors and hematologic malignancies. The other therapeutic area is Inflammation and Autoimmunity ("IAI"), which includes our Dermatology franchise. We are also eligible to receive milestones and royalties on molecules discovered by us and licensed to third parties.

Hematology and Oncology

Our hematology and oncology franchise comprises six approved products, which are JAKAFI (ruxolitinib), MONJUVI (tafasitamab-cxix)/MINJUVI (tafasitamab), PEMAZYRE (pemigatinib), ICLUSIG (ponatinib), ZYNYZ (retifanlimab-dlwr), and NIKTIMVO (axatilimab-csfr), as well as numerous clinical development programs.

Approved Products

JAKAFI (ruxolitinib)

JAKAFI (ruxolitinib) is our first product to be approved for sale in the United States. JAKAFI is the most advanced compound in our janus associated kinase ("JAK") program and is an oral JAK1 and JAK2 inhibitor. It 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 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 MPNs, a group of rare blood cancers, and GVHD is an adverse immune response to an allogeneic hematopoietic stem cell transplant. Under our collaboration agreement with our collaboration partner 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.

JAKAFI was the first FDA-approved JAK inhibitor for any indication, was the first FDA-approved product in MF, PV and steroid-refractory acute GVHD, and was recently approved in steroid-refractory chronic GVHD. JAKAFI remains the first-line standard of care in MF and remains the only FDA-approved product for steroid-refractory acute GVHD. 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.

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. Our distribution process uses a model that is well established and familiar to physicians who practice within the oncology field.

We have retained all development and commercialization rights to JAKAFI in the United States and are eligible to receive development and sales milestones as well as royalties from product sales outside the United States. 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. In December 2022, we were granted pediatric exclusivity, which adds six months to the expiration for all ruxolitinib patents listed in FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book) as of the date of the grant of pediatric exclusivity.

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 (MOR208), an Fc-engineered antibody against CD19. Under the terms of the collaboration and license agreement, we received rights to co-commercialize tafasitamab in the United States with MorphoSys, and exclusive development and commercialization rights outside of the United States. As more fully described in Note 6 of Notes to the Condensed Consolidated Financial Statements, in February 2024, we entered into a purchase agreement with MorphoSys, and as a result, we now hold exclusive global rights for tafasitamab, and the collaboration and license agreement was terminated.

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. 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.

PEMAZYRE (pemigatinib)

PEMAZYRE is the first internally discovered product to be internationally commercialized by us.

In April 2020, the FDA approved PEMAZYRE (pemigatinib), a selective fibroblast growth factor receptor (FGFR) kinase inhibitor, for the treatment of adults with previously treated, unresectable locally advanced or metastatic cholangiocarcinoma with an FGFR2 fusion or other rearrangement as detected by an FDA-approved test. PEMAZYRE is the first FDA-approved treatment for this indication, which was approved under accelerated approval based on overall response rate and duration of response.

In March 2021, PEMAZYRE was approved by the Japanese Ministry of Health, Labour and Welfare ("MHLW") for the treatment of patients with unresectable biliary tract cancer with an FGFR2 fusion gene, worsening after cancer chemotherapy, and 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 UK's National Institute for Health and Care Excellence ("NICE") recommended PEMAZYRE for patients with cholangiocarcinoma with a 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 a FGFR2 fusion or rearrangement as confirmed by a validated diagnostic test that has progressed after at least one prior line of systemic therapy.

In August 2022, PEMAZYRE was approved by the FDA as the first and only targeted treatment for myeloid/lymphoid neoplasms ("MLNs") with FGFR1 rearrangement. In March 2023, PEMAZYRE was approved by the MHLW for the treatment of MLNs with FGFR1 fusion.

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, or 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.

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.

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.

In May 2025, the FDA approved ZYNYZ (retifanlimab-dlwr) for the treatment of adult patients with advanced squamous cell anal cancer ("SCAC") in combination with chemotherapy and as a single agent. We have submitted a Type II variation Marketing Authorization Application ("MAA") to the European Medicines Agency ("EMA") and a Japanese New Drug Application for retifanlimab in advanced SCAC.

NIKTIMVO (axatilimab-csfr)

In September 2021, we and Syndax Pharmaceuticals, Inc. announced an exclusive worldwide collaboration and license agreement 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. Also in January 2025, the FDA approved two smaller vial sizes (9mg and 22mg) of NIKTIMVO to facilitate patient dosing and limit product waste.

Clinical Programs in Hematology and Oncology

Ruxolitinib 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 ("EHA") 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 met the bioequivalence criteria set by the FDA. These data are anticipated to be submitted to the FDA, in response to the CRL, by year-end 2025.

INCB57643 (BET inhibitor)

INCB057643 is a small-molecule inhibitor of BET that was being evaluated as monotherapy and in combination with ruxolitinib in patients with advanced malignancies. In October 2025, development for INCB57643 was discontinued.

INCA033989 (mutCALR)

In June 2025, data from our Phase 1 study evaluating INCA033989, an Incyte-discovered, investigational novel anti-mutant calreticulin ("CALR")-targeted monoclonal antibody, in mutCALR positive patients with essential thrombocythemia were presented during a late-breaking session at the 2025 EHA Congress in Milan, Italy. The data showed rapid and durable normalization of platelet counts across all dose levels and importantly, a reduction in peripheral blood mutCALR variant allele frequency correlating with hematologic response. INCA033989 was well tolerated with a favorable safety profile with no dose limiting toxicities reported. Together, the data demonstrates the potential for INCA033989 to modify disease by directly inhibiting and eliminating oncogenic mutCALR cells, while sparing healthy cells and restoring normal blood cell production. The Phase 1 data in patients with MF as monotherapy and in combination with ruxolitinib are anticipated in the second half of 2025.

In October 2025, we announced a strategic partnership with Enable Injections, Inc. ("Enable") to develop and commercialize specific assets in our portfolio, including INCA033989, with Enable's enFuse® on-body delivery system. Under the terms of the agreement, we will obtain a worldwide, exclusive license to use the enFuse technology with INCA033989 in essential thrombocythemia and MF, with the potential to expand to additional assets and indications.

Other Clinical Programs

INCB160058 (JAK2V617Fi)

We initiated a Phase 1 study of INCB160058, an Incyte-discovered, investigational novel potent and selective JAK2 pseudokinase domain binder with potential to be a disease modifying therapeutic, in the first quarter of 2024. In preclinical studies, INCB160058 inhibited cytokine independent activity of JAK2V617F while sparing WT JAK2.

Tafasitamab

Tafasitamab is an anti-CD19 antibody and is being investigated as a therapeutic option in B cell malignancies in a number of ongoing and planned combination trials. The open-label Phase 2 combination trial (L-MIND) is investigating the safety and efficacy of tafasitamab in combination with lenalidomide in patients with r/r DLBCL and the ongoing Phase 3 B-MIND trial is assessing the combination of tafasitamab and bendamustine versus rituximab and bendamustine in r/r DLBCL. firstMIND is a Phase 1b safety trial of tafasitamab as a first-line therapy for patients with DLBCL, and frontMIND is an ongoing placebo-controlled Phase 3 trial evaluating tafasitamab in combination with lenalidomide added to rituximab plus chemotherapy as a first-line therapy for patients with DLBCL.

Retifanlimab

We are conducting two Phase 3 clinical studies evaluating retifanlimab, a humanized monoclonal antibody targeting PD-1, in SCAC and non-small cell lung cancer ("NSCLC"). POD1UM-303/InterAACT2 is a Phase 3, global, multicenter, randomized, double-blind study evaluating carboplatin-paclitaxel with retifanlimab or placebo in patients with inoperable locally recurrent or metastatic SCAC who have not previously been treated with chemotherapy. POD1UM-304 is a Phase 3, global, multicenter, randomized, double-blind study evaluating platinum-based chemotherapy with retifanlimab or placebo in patients with first-line, metastatic squamous or nonsquamous NSCLC.

In July 2024, we announced that both trials met their respective primary endpoints. In September 2024, we presented late-breaking Phase 3 results showing that the Phase 3 POD1UM-303/InterAACT2 trial for retifanlimab met the primary endpoint of progression free survival and demonstrated improvement across key secondary endpoints in patients with SCAC receiving retifanlimab in combination with platinum-based chemotherapy (carboplatin-paclitaxel).

INCB123667 (CDK2)

INCB123667 is a novel, potent and selective oral small molecule inhibitor of serine threonine kinase ("CDK2") which has been shown to suppress tumor growth as monotherapy and in combination with standard of care, in Cyclin E amplified tumor models, in vivo. We are evaluating INCB123667 in a Phase 1 clinical trial in patients with advanced malignancies including CCNE1 high TNBC and HR+HER2- tumors post-CDK4/6 inhibitors.

In September 2024, we presented initial data from the Phase 1 CDK2 inhibitor program at the 2024 European Society of Medical Oncology ("ESMO") Congress. Phase 1 data of INCB123667 were presented demonstrating single-agent antitumor activity across a range of doses and regimens, notably in patients with ovarian cancer and endometrial cancer whose tumors overexpress Cyclin E1. The Phase 1 trial is ongoing with INCB123667 in combination with other agents. In September 2025, a Phase 2 single-arm study of INCB123667 (CDK2i) in patients with platinum-resistant ovarian cancer (PROC) with Cyclin E1 overexpression was initiated. A Phase 3, randomized, open-label study of INCB123667 versus investigator's choice chemotherapy in patients with PROC with Cyclin E1 overexpression is planned to initiate by year-end 2025.

Select Earlier-Stage Development Programs in Hematology and Oncology

INCB161734 (KRAS G12D)

INCB161734 is a potent, selective and orally bioavailable KRAS G12D inhibitor that is currently being evaluated in a Phase 1 study in patients with locally advanced or metastatic solid tumor with *KRASG12D* mutation. In October 2025, preliminary data from the ongoing Phase 1 study were presented at the 2025 European Society of Medical Oncology (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. Based upon these results, we intend to continue further development of INCB161734.

INCA33890 (TGFβR2xPD-1)

INCA33890 is a TGFβR2xPD-1 bispecific antibody that has been engineered to avoid the known toxicity of broad TGFβ pathway blockade. INCA33890 has a 10-fold higher binding affinity for PD-1 relative to TGFβR2, and specifically blocks TGFβ signaling in cells co-expressing PD-1. In July 2023, we initiated a Phase 1 study evaluating INCA33890 in patients with select advanced/metastatic solid tumors. In October 2025, data from the ongoing Phase 1 study evaluating were presented at the 2025 ESMO Congress. In the study, INCA33890 demonstrated clinical efficacy across multiple tumors, including microsatellite stable colorectal cancer (MSS CRC) in patients with and without active liver metastases. INCA33890 was generally well tolerated and evaluation of INCA33890 in combination with standard of care (SoC) treatments in patients with metastatic CRC is ongoing. Based on these initial findings, we plan to initiate a registrational program evaluating INCA33890 in MSS CRC in 2026.

Inflammation and AutoImmunity

Incyte Dermatology launched its first approved product, OPZELURA (ruxolitinib) cream, in October 2021. OPZELURA subsequently was approved by the FDA and European Commission for vitiligo in July 2022 and April 2023, respectively. Our IAI efforts also include numerous clinical development programs.

OPZELURA (ruxolitinib) cream

Atopic Dermatitis. In September 2021, the FDA approved OPZELURA (ruxolitinib) cream, a novel cream formulation of Incyte's selective JAK1/JAK2 inhibitor ruxolitinib, 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 ("sNDA") 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 recommended.

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. OPZELURA was approved for continuous use and no limits to duration as a treatment for nonsegmental vitiligo. 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.

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 Committee for Medicinal Products for Human Use ("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 Dermatology

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 dermatologic conditions, including pediatric AD, vitiligo, hidradenitis suppurativa ("HS") and prurigo nodularis ("PN").

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.

Hidradenitis Suppurativa. In January 2024, we announced positive topline results from a randomized controlled Phase 2 study evaluating ruxolitinib cream in 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-HS2 and TRuE-HS2) evaluating ruxolitinib cream in mild to moderate HS were initiated.

Prurigo Nodularis. In March 2025, results from two Phase 3 studies (TRuE-PN1 and TRuE-PN2) evaluating ruxolitinib cream in patients with PN were presented in a late-breaking oral session at the American Academy of Dermatology annual meeting. The TRuE-PN1 study met the primary endpoint of a > 4-point improvement from baseline in Worst-Itch Numeric Rating Scale at Week 12 and all key secondary endpoints. The TRuE-PN2 study did not reach statistical significance for the primary endpoint, resulting in the key secondary endpoints with nominal p-values. These key secondary endpoints still demonstrate positive trends for ruxolitinib cream 1.5% versus vehicle. These data will inform planned discussions with regulatory authorities on submission.

Povorcitinib

We also are developing povorcitinib, which is an oral small molecule selective JAK1 inhibitor. Povorcitinib is undergoing evaluation in patients with HS, nonsegmental vitiligo, PN, asthma and chronic spontaneous urticaria ("CSU").

Hidradenitis Suppurativa. HS is a chronic skin condition where lesions develop as a result of inflammation and infection of the sweat glands. In March 2025, positive results from two Phase 3 studies (STOP-HS1 and STOP-HS2) evaluating povorcitinib in patients with HS were presented and demonstrated that 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, >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.

In September 2025, additional data from the STOP-HS1 and STOP-HS2 studies were presented at the European Association of Dermatology and Venereology (EADV) Annual Meeting. In the studies, povorcitinib demonstrated sustained improvements in symptoms for patients with active moderate to severe hidradenitis suppurativa (HS) through 24 weeks. These data support the planned regulatory submissions of povorcitinib for the treatment of HS in 2025 and 2026.

Nonsegmental Vitiligo. In March and October 2023, we presented results from the Phase 2b clinical trial evaluating povorcitinib in patients with extensive nonsegmental vitiligo which demonstrated that treatment with oral povorcitinib was associated with substantial total body and facial repigmentation, as measured by total Vitiligo Area Scoring Index.

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 in patients with PN were initiated.

Asthma and Chronic Spontaneous Urticaria (CSU). In July 2023, we initiated a Phase 2 trial evaluating povorcitinib in patients with moderate to severe uncontrolled asthma. Data from this proof-of-concept study is anticipated in 2026.

In April 2025, we announced positive topline results from the Phase 2 study evaluating povorcitinib in patients with CSU. The study met the primary endpoint at Week 12 of change from baseline in the Urticaria Activity Score summed over 7 days. Povorcitinib was well tolerated with no new safety signals observed. In October 2025, we decided not to pursue further development of povorcitinib in CSU to prioritize other programs.

Other Clinical Programs

INCA034460 (anti-CD122)

In November 2022, we acquired Villaris Therapeutics, Inc., an asset-centric biopharmaceutical company focused on the development of novel antibody therapeutics for vitiligo. INCA034460 is a novel, humanized anti-IL-15Rβ monoclonal antibody designed to target and deplete autoreactive tissue resident memory T cells that has demonstrated efficacy as a treatment for vitiligo in preclinical models. In October 2025, we paused further development of INCA034460.

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 licensed 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. 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 TNF inhibitor therapies.

Atopic Dermatitis. Lilly has conducted a Phase 2a trial and a Phase 3 program to evaluate the safety and efficacy of baricitinib in patients with moderate-to-severe AD. 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. In June 2022, the FDA approved 2mg, and 4mg doses of OLUMIANT for the treatment of adults with severe alopecia areata, an autoimmune disorder in which the immune system attacks the hair follicles causing hair loss in patches, becoming the first and only systemic treatment in the indication. 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 Emergence 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. The investigational compound has demonstrated inhibitory activity in cell-based biochemical and functional assays that measure MET signaling and MET dependent cell proliferation, survival and migration. 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, 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 April 2022, we and Novartis announced a positive opinion from the CHMP based on data from the Phase 2 GEOMETRY mono-1 study. 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 March 2022, we and Novartis announced a positive opinion from the CHMP for ruxolitinib in acute and chronic GVHD, based on data from the Phase 3 REACH2 and REACH3 trials. 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 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 hematopoietic stem cell transplant.

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 6 and Note 8 of Notes to the Condensed 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 will receive 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

MacroGenics

In October 2017, we entered into a Global Collaboration and License Agreement with MacroGenics. Under this agreement, we received exclusive development and commercialization rights worldwide to MacroGenics' INCMGA0012, an investigational monoclonal antibody that inhibits PD-1. MacroGenics has retained the right to develop and commercialize, at its cost and expense, its pipeline assets in combination with INCMGA0012.

Merus

In December 2016, we entered into a Collaboration and License Agreement with Merus. Under this agreement, which became effective in January 2017, 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.

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.

Critical Accounting Policies and Significant Estimates

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

For a discussion of our critical accounting policies, refer to "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes to our critical accounting policies or estimates during the nine months ended September 30, 2025.

Recent Accounting Pronouncements and Regulatory Updates

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. We are currently evaluating the impact that ASU No. 2023-09 will have on our income tax disclosures and the method of adoption. ASU No. 2023-09 does not affect our results of operations, financial condition or cash flows.

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 condensed 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 and an accounting policy election for non-public 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 or accounting policy election (if applicable), 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 it 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.

Results of Operations

We recorded net income of $424.2 million and basic net income per share of $2.17 and diluted net income per share of $2.11 for the three months ended September 30, 2025, as compared to net income of $106.5 million and basic net income per share of $0.55 and diluted net income per share of $0.54 in the corresponding period in 2024. We recorded net income of $987.4 million and basic net income per share of $5.08 and diluted net income per share of $4.95 for the nine months ended September 30, 2025, as compared to net loss of $168.6 million and basic and diluted net loss per share of $0.80 in the corresponding period in 2024.

Revenues

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)		(in millions)	
JAKAFI revenues, net	$ 791.1	$ 741.2	$ 2,264.3	$ 2,019.0
OPZELURA revenues, net	188.0	139.3	471.2	346.7
ICLUSIG revenues, net	37.6	29.7	99.8	87.0
PEMAZYRE revenues, net	22.7	20.7	63.4	58.6
MINJUVI/MONJUVI revenues, net	42.0	31.4	102.7	86.4
NIKTIMVO revenues, net	45.8	—	95.6	—
ZYNYZ revenues, net	22.7	0.7	34.6	1.8
Total product revenues, net	1,149.9	963.0	3,131.6	2,599.5
JAKAVI product royalty revenues	125.6	115.8	327.5	304.7
OLUMIANT product royalty revenues	37.1	34.8	101.4	97.1
TABRECTA product royalty revenues	6.5	5.9	19.5	16.4
Other product royalty revenues	1.9	0.4	4.4	1.8
Total product royalty revenues	171.1	156.9	452.8	420.0
Milestone and contract revenues	45.0	18.0	50.0	43.0
Total revenues	$ 1,366.0	$ 1,137.9	$ 3,634.4	$ 3,062.5

The increase in JAKAFI for the three and nine months ended September 30, 2025 as compared to the corresponding periods in 2024 was primarily driven by an increase in paid demand reflecting continued demand growth in all indications. JAKAFI inventory levels were within normal range at the end of the third quarter of 2025.

The increase in OPZELURA net product revenues for the three and nine months ended September 30, 2025 as compared to the corresponding periods in 2024 was primarily due to increased patient demand and refills in the U.S. in both atopic dermatitis and vitiligo. Additionally, $44.4 million of net product revenues during the third quarter of 2025 were from outside of the U.S., driven by continued uptake in France and Italy in vitiligo. OPZELURA inventory levels were within normal range at the end of the third quarter of 2025.

NIKTIMVO net product revenues for the three and nine months ended September 30, 2025 reflects continued strong uptake of the product following its commercial launch during the first quarter of 2025.

The increase in ZYNYZ net product revenue for the three and nine months ended September 30, 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 for the three and nine months ended September 30, 2025 as compared to the corresponding periods in 2024 was primarily driven by growth in JAKAVI royalty revenue.

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

Nine Months Ended September 30, 2025	Discounts and Distribution Fees	Commercial & 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	161,452	1,187,599	113,106	17,323	1,479,480
Allowances for prior period sales	(1,863)	(9,224)	46	(3,928)	(14,969)
Credits/payments for current period sales	(125,985)	(894,152)	(108,721)	(62)	(1,128,920)
Credits/payments for prior period sales	(21,144)	(137,935)	(8,081)	(7,539)	(174,699)
Balance at September 30, 2025	$ 39,900	$ 528,846	$ 9,640	$ 28,807	$ 607,193

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 September 30, 2025, we have accrued approximately $188.9 million within accrued and other current liabilities on the condensed consolidated balance sheet, relating to the incremental rebates that would be owed were OPZELURA considered a line extension of JAKAFI. The impact on OPZELURA gross to net deductions for the quarter ending September 30, 2025 is approximately 6.8%. If OPZELURA is not treated as a line extension of JAKAFI, this would result in a reversal of our accrual and a lower future gross to net deduction for OPZELURA.

Claims by third-party payors for rebates and chargebacks are frequently submitted after the period in which the related sales occurred, which may result in adjustments to prior period accrual balances in the period in which the new information becomes available. Our company-sponsored patient savings program in which we provide financial assistance to enable commercially-insured patients to afford their insurance premium and co-pays may fluctuate as the commercial insurance landscape evolves and may impact net 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 for the three and nine months ended September 30, 2025 and September 30, 2024 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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)		(in millions)	
Product costs	$ 41.1	$ 38.2	$ 99.2	$ 96.8
Salary and benefits related	5.0	2.6	15.3	7.2
Stock compensation	0.9	0.6	2.6	1.6
Royalty expense	30.8	38.5	90.4	100.5
Profit share	14.3	—	24.6	—
Amortization of definite-lived intangible assets	6.9	6.1	18.9	17.5
Total cost of product revenues	$ 99.0	$ 86.0	$ 251.0	$ 223.6

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 capitalized milestone payments. The increase in cost of product revenues for the three and nine months ended September 30, 2025 as compared to the same periods in 2024 was driven by growth in net product revenues, the NIKTIMVO profit share and increased manufacturing related costs, partially offset by the impact of the contract dispute settlement with Novartis.

Contract Dispute Settlement

As described further in Note 8 of Notes to the Condensed 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 the 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 condensed 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 condensed consolidated statement of operations for the nine months ended September 30, 2025.

Operating Expenses

Research and development expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)		(in millions)	
Salary and benefits related	$ 146.9	$ 131.5	$ 410.9	$ 374.7
Stock compensation	39.7	45.8	114.1	117.1
Escient acquisition related compensation expense	—	—	—	11.3
Escient IPR&D expense	—	—	—	679.4
Clinical research and outside services	278.9	351.8	794.7	826.1
Occupancy and all other costs	41.1	44.1	119.1	132.2
Total research and development expenses	$ 506.6	$ 573.2	$ 1,438.8	$ 2,140.8

We account for research and development costs by natural expense line and not costs by project. The increase in salary and benefits related expense for the three and nine months ended September 30, 2025 as compared to the corresponding period in 2024 was due primarily to increased headcount to sustain our development pipeline. Stock compensation expense may fluctuate from period to period based on the number of awards granted, stock price volatility and expected award lives, as well as expected award forfeiture rates which are used to value equity-based compensation. Additionally, as described in Note 6 of Notes to the Condensed Consolidated Financial Statements, as part of the Escient acquisition, during the second quarter of 2024, we recognized compensation expense in research and development of $11.3 million associated with the accelerated vesting for certain Escient stock awards in connection with the acquisition on our condensed consolidated statements of operations.

Research and development expenses for the nine months ended September 30, 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, as described in Note 6 of Notes to the Condensed Consolidated Financial Statements. The decrease in clinical research and outside services expense for the three months ended September 30, 2025 as compared to the corresponding period in 2024, was primarily due to the $100.0 million milestone payment made to MacroGenics during the third quarter of 2024. Research and development expenses include upfront and milestone expenses related to our collaborative agreements of $0.1 million and $28.2 million, respectively, for the three and nine months ended September 30, 2025. Research and development expenses include upfront and milestone expenses related to our collaborative agreements of $100.0 million and $101.4 million, respectively, for the three and nine months ended September 30, 2024. Research and development expenses for the three and nine months ended September 30, 2025 and 2024 were net of $4.3 million, $10.8 million, $3.8 million and $25.1 million, respectively, of costs reimbursed by our collaborative partners.

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

Selling, general and administrative expenses

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)		(in millions)	
Salary and benefits related	$ 105.4	$ 91.7	$ 297.4	$ 258.3
Stock compensation	21.0	31.5	70.5	75.6
Escient acquisition related compensation expense	—	—	—	20.2
Other contract services and outside costs	202.7	186.0	617.9	561.3
Total selling, general and administrative expenses	$ 329.1	$ 309.2	$ 985.8	$ 915.4

The increase in salary and benefits related expense for the three and nine months ended September 30, 2025 as compared to the corresponding period in 2024 was due primarily to increased headcount. Stock compensation expense may fluctuate from period to period based on the number of awards granted, stock price volatility and expected award lives, as well as expected award forfeiture rates which are used to value equity-based compensation. Additionally, as described in Note 6 of Notes to the Condensed Consolidated Financial Statements, as part of the Escient acquisition, during the second quarter of 2024, we recognized compensation expense in selling, general and administrative expenses of $20.2 million associated with the accelerated vesting for certain Escient stock awards in connection with the acquisition on our condensed consolidated statements of operations. The increase in other contract services and outside costs for the three months ended September 30, 2025, as compared to the corresponding period in 2024, was primarily due to international marketing activities to support product launches.

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

Acquisition-related contingent consideration, which consists of our future royalty obligations to ARIAD/Takeda, was recorded on the acquisition date, June 1, 2016, at the estimated fair value of the obligation, in accordance with the acquisition method of accounting. The change in fair value of the acquisition-related contingent consideration for the three and nine months ended September 30, 2025 was a gain of $12.2 million and loss of $22.1 million, respectively, which is recorded in (gain) loss on change in fair value of acquisition-related contingent consideration on the condensed consolidated statements of operations. The change in fair value of the acquisition-related contingent consideration for the three and nine months ended September 30, 2024 was a loss of $23.4 million and $23.8 million, respectively, which is recorded in (gain) loss on change in fair value of acquisition-related contingent consideration on the condensed consolidated statements of operations. The change in fair value of the contingent consideration during the three and nine months ended September 30, 2025 and 2024 was due primarily to updated projections of future net revenues of Iclusig, including the impacts from fluctuations in foreign currency exchange rates, and the passage of time.

Non-operating Income and Expenses

Interest income

Interest income for the three and nine months ended September 30, 2025 was $26.8 million and $74.8 million, respectively. Interest income for the three and nine months ended September 30, 2024 was $19.3 million and $107.5 million, respectively. The increase in Interest income for the three months ended September 30, 2025 is primarily due to higher cash and cash equivalent balances in the third quarter of 2025 as compared to the corresponding period in 2024, and the decrease in Interest income for the nine months ended September 30, 2025 is primarily due to lower interest rates in 2025 and to a lesser extent, lower average cash balances as compared to the corresponding periods in 2024.

Gain (loss) on equity investments

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
	(in millions)		(in millions)	
Agenus	$ —	$ (6.8)	$ —	$ (6.7)
Merus	—	(4.1)	—	106.1
MorphoSys	—	—	—	30.7
Syndax	8.6	(1.9)	3.1	(3.4)
Other	—	(0.2)	—	(0.5)
Total gain (loss) on equity investments	$ 8.6	$ (13.0)	$ 3.1	$ 126.2

Provision for income taxes

The provision for income taxes for the three and nine months ended September 30, 2025 was $58.1 million and $287.1 million, respectively. The provision for income taxes for the three and nine months ended September 30, 2024 was $50.1 million and $171.5 million, respectively.

Our effective tax rate for the three months ended September 30, 2025 is lower than the U.S. statutory rate primarily due to a net decrease in our valuation allowance against certain U.S. federal deferred tax assets, resulting from the recently enacted U.S. tax law changes, as more fully described in Note 14 of Notes to the Condensed Consolidated Financial Statements. Our effective tax rate for the nine months ended September 30, 2025 was higher than the U.S. statutory rate primarily due to an increase in our valuation allowance against certain U.S. federal and state 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 a decrease in a prior year valuation allowance against certain U.S. federal deferred tax assets, resulting from the recently enacted U.S. tax law changes.

Our effective tax rate for the three months ended September 30, 2024 was higher than the U.S. statutory rate primarily due to foreign losses with no associated tax benefit (i.e., full valuation allowance) and an increase in our valuation allowance against certain U.S. federal and state 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 nine months ended September 30, 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

At September 30, 2025, we had available cash, cash equivalents and marketable securities of $2.9 billion. Our cash and marketable securities balances are primarily held in a variety of interest-bearing instruments, including money market accounts and U.S. government debt securities. Available cash is invested in accordance with our investment policy's primary objectives of liquidity, safety of principal and diversity of investments.

Net cash provided by operating activities for the nine months ended September 30, 2025 was $870.2 million and net cash used in operating activities for the nine months ended September 30, 2024 was $45.9 million. The increase in cash provided by operating activities was due primarily 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.

Our investing activities, other than purchases, sales and maturities of marketable securities, have consisted predominantly of capital expenditures and sales of long term investments. Net cash used in investing activities was $65.2 million for the nine months ended September 30, 2025, which primarily represented purchases of marketable securities of $212.9 million, capital expenditures of $37.0 million and payments for intangible assets of $25.0 million, offset in part by maturities of marketable securities of $209.6 million. Net cash provided by investing activities was $179.0 million for the nine months ended September 30, 2024, which primarily represented sales of equity investments of $282.9 million and maturities of marketable securities of $207.9 million, offset in part by purchases of marketable securities of $229.0 million, capital expenditures of $68.9 million and payments for intangible assets of $13.9 million. In the future, net cash used by investing activities may fluctuate significantly from period to period due to the timing of strategic equity investments, acquisitions, and capital expenditures and maturities/sales and purchases of marketable securities.

Net cash used in financing activities was $36.7 million for the nine months ended September 30, 2025, primarily representing the $19.1 million paid for excise taxes relating to the June 2024 share repurchase, cash paid for tax withholdings related to restricted and performance share vesting and cash paid to ARIAD/Takeda for contingent consideration, partially offset by proceeds from issuance of common stock under our stock plans. Net cash used in financing activities was $2.04 billion for the nine months ended September 30, 2024 and was primarily driven by expenditures associated with the share repurchase of $2.00 billion.

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 September 30, 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 Condensed 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 change related to the expensing of domestic research costs will materially reduce our U.S. tax liabilities in 2025 and 2026. We continue to evaluate the impacts of the modified provisions and have reflected an estimate in our financial statements for the period ending September 30, 2025.

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 8 of Notes to the Condensed Consolidated Financial Statements.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our investments in marketable securities, which are composed primarily of U.S. government debt securities, are subject to default, changes in credit rating and changes in market value. These investments are also subject to interest rate risk and will decrease in value if market interest rates increase. As of September 30, 2025, marketable securities were $474.8 million. Due to the nature of these investments, if market interest rates were to increase immediately and uniformly by 10% from levels as of September 30, 2025, the decline in fair value would not be material.

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

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management 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 Quarterly Report on Form 10-Q, our Chief Executive Officer and Principal Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in internal control over financial reporting. There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) for the three months ended September 30, 2025, that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

The information called for by this item is incorporated herein by reference to the information set forth in Note 17 to our Condensed Consolidated Financial Statements included in this report.

Item 1A. Risk Factors

RISKS RELATING TO COMMERCIALIZATION OF OUR PRODUCTS

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

JAKAFI is our first product marketed by us that is 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.

The 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 with intermediate or high-risk myelofibrosis, uncontrolled polycythemia vera or steroid-refractory graft-versus-host disease who are diagnosed with the diseases 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 FDA;
- the maintenance of regulatory approval for the approved indications in the United States; and
- our ability to develop, obtain regulatory approval for and commercialize ruxolitinib 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 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 (HMOs) and other health care 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 JAKAFI, ICLUSIG, PEMAZYRE, MONJUVI/MINJUVI, OPZELURA, ZYNYZ and NIKTIMVO 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 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, or 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. In this regard, while we have entered into agreements with a number of PBMs, we are in the process of negotiating agreements with additional PBMs and payor accounts to provide rebates to those entities related to formulary coverage for OPZELURA, and we cannot guarantee that we will be able to agree to or maintain acceptable coverage terms with these PBMs and other third party payors for OPZELURA or additional products in the future. 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, non-profit organizations' ability 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 health care reform measures are described below under "—Other Risks Relating to our Business—Health care 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 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 Eli 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 the product 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 OPZELURA. Successful commercialization of our drug candidates for dermatology indications requires us to establish new physician and payor relationships, PBM and pharmacy network relationships, reimbursement strategies and governmental interactions, separate from our existing capabilities for oncology indications. Our inability to commercialize successfully products in indications outside of oncology 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, in particular JAKAFI, 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, or 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. We cannot predict the effects on sales of JAKAFI with the updated warnings or OPZELURA as a result of the "boxed" warnings, but it is possible that future sales of JAKAFI and OPZELURA can be negatively affected, 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 of JAKAFI, ICLUSIG, PEMAZYRE, MONJUVI/MINJUVI, OPZELURA, ZYNYZ and NIKTIMVO, the manufacturing, marketing and sale of JAKAFI, PEMAZYRE, OPZELURA and NIKTIMVO and the marketing and sale of ICLUSIG, MONJUVI/MINJUVI and ZYNYZ 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 JAKAFI 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 for intermediate or high-risk myelofibrosis, uncontrolled polycythemia vera or acute graft-versus-host disease and as JAKAFI is 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 JAKAFI, reformulate JAKAFI or make changes and obtain new approvals. We may also experience a significant drop in the sales of JAKAFI, experience harm to our reputation and the reputation of JAKAFI in the marketplace or become subject to lawsuits, including class actions. Any of these results could decrease or prevent sales of JAKAFI or substantially increase the costs and expenses of commercializing JAKAFI. Similar results could occur with respect to our commercialization of ICLUSIG, PEMAZYRE, MONJUVI/MINJUVI, OPZELURA, ZYNYZ and NIKTIMVO.

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 license 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 health care “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 health care item or service reimbursable under Medicare, Medicaid, or other federally- or state-financed health care 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 European Union 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 federal government has enacted the Physician Payment Sunshine provisions. These Physician Payment Sunshine 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 health care industry, we could face increased costs, penalties and a loss of business" below.

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

Our products compete, and our product candidates may in the future compete, with currently existing therapies, including generic drugs, product candidates currently under development by us and others, or future product candidates, including new chemical entities that may be safer or more effective or more convenient than our products. Any products that we develop may be commercialized in competitive markets, and our competitors, which include large global pharmaceutical and biopharmaceutical companies and smaller research-based biotechnology companies, may succeed in developing products that render our products obsolete or noncompetitive. Many of our competitors, particularly large pharmaceutical and biopharmaceutical companies, have substantially greater financial, operational and human resources than we do. Smaller or earlier stage companies may also prove to be significant competitors, particularly through focused development programs and collaborative arrangements with large, established companies. In addition, many of our competitors deploy more personnel to market and sell their products than we do, and we compete with other companies to recruit, hire, train and retain pharmaceutical sales and marketing personnel. If our sales force and sales support organization are not appropriately resourced and sized to adequately promote our products, the commercial potential of our current and any future products may be diminished. In any event, the commercial potential of our current products and any future products may be reduced or eliminated if our competitors develop or acquire and commercialize generic or branded products that are safer or more effective, are more convenient or are less expensive than our products. See "Item 1. Business —Competition" in our Annual Report on Form 10-K for the year ended December 31, 2024 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, or ANDA, or an New Drug Application, or NDA, pursuant to section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act. 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. and Granules India Ltd. notifying us that it has filed an ANDA containing a paragraph IV certification seeking approval to market a generic version of JAKAFI and 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 regarding its filing of a NDA pursuant to section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act that requested to rely, in part, on the FDA's previously published findings of safety and efficacy for JAKAFI and purported 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 Apotex (with respect to both its ANDA and 505(b)(2) NDA), Hikma, Sun, and Granules in the U.S. District Court for the District of New Jersey asserting certain FDA Orange-Book-listed patents for JAKAFI. In October 2025, we entered into a confidential settlement agreement with Hikma, settling all outstanding claims in the Hikma litigation. The actions against the other generic companies remain pending.

With respect to deuterated ruxolitinib, in January 2018 the Patent Trial and Appeal Board, or PTAB, of 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 separately to challenge the validity of our patent in federal court.

In July 2025, we entered into a settlement and license agreement with Sun Pharmaceuticals, Inc., resolving patent infringement litigation related to Leqselvi (deuruxolitinib), and we granted Sun a limited, non-exclusive license in the United States with respect to oral deuruxolitinib for certain agreed-upon non-hematology-oncology indications, including alopecia areata.

ICLUSIG currently competes with existing therapies that are approved for the treatment of patients with chronic myeloid leukemia, or CML, who are resistant or intolerant to prior tyrosine kinase inhibitor, or 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 and, while we currently believe that generic versions of imatinib will not materially impact our commercialization of ICLUSIG, given ICLUSIG's various indication statements globally that are currently focused on resistant or intolerant CML, 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 version of prescription treatments. In September 2023, we received a notice letter from Padagis Israel Pharmaceuticals Ltd. regarding its filing of an ANDA that requested approval to market a generic version of OPZELURA and purported to challenge patents covering ruxolitinib phosphate cream and its uses that expire in 2031 and 2040. The notice letter does not challenge the ruxolitinib or ruxolitinib phosphate composition of matter patents, providing patent coverage (with pediatric extension) until December 2028. In November 2023, we initiated a patent infringement action against Padagis in the U.S. District Court for the District of New Jersey asserting certain FDA Orange Book listed patents. That action remains pending. In January 2025, we received a notice letter from Taro Pharmaceuticals Inc. regarding its filing of an ANDA that requested approval to market a generic version of OPZELURA and purported to challenge patents covering ruxolitinib phosphate cream and its uses that expire in 2031 and 2040. The notice letter does not challenge ruxolitinib or ruxolitinib phosphate composition of matter patents, providing patent coverage (with pediatric extension) until December 2028. In March 2025, we initiated a patent infringement action against Taro in the U.S. District Court for the District of New Jersey asserting certain FDA Orange Book listed patents. That action remains pending. In January 2025, we received a notice letter from Zydus Lifesciences Limited regarding its filing of an ANDA that requested approval to market a generic version of OPZELURA and purported to challenge patents covering ruxolitinib phosphate cream and its uses that expire in 2040. The notice letter does not challenge the ruxolitinib or ruxolitinib phosphate composition of matter patents or certain patents covering ruxolitinib phosphate cream and its uses, providing patent coverage (with pediatric extension) until November 2031. In March 2025, we initiated a patent infringement action against Zydus in the U.S. District Court for the District of New Jersey asserting certain FDA Orange Book listed patents. That action 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 would 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 jurisdictions in which it has commercialization rights and to our collaborator Lilly for OLUMIANT 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 received marketing approval, it may not be able to achieve market acceptance or compete successfully with competitors' products and we may have spent significant amounts of time and money on it without achieving potential returns initially anticipated, 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 may 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 and 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 New Drug Application, or 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 (XR) 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 April 2018, we along with Merck announced that the ECHO-301 study had been stopped and we also significantly downsized the epacadostat development program and 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 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 the 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.

Health care 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.

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 health care 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 eliminates 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, or 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 starting 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 health care 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 by our revenue potentially being materially adversely affected and our research and development efforts potentially being materially curtailed or, in some cases, ceasing. 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 health care in the United States, the organizations for which could control or significantly influence the purchase of health care services and products, as well as legislative and regulatory proposals to reform health care or address the cost of government insurance programs, may all result in lower prices for or rejection of our 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 health care, 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.

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 baricitinib or any of our other 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, lead to our loss of potential revenues from product sales and milestones and delay our achievement, if any, of profitability. 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 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, among 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 new collaborator for them, 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 our 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 interested in it 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. Our collaborations with respect to epacadostat involved the study of our collaborators' drugs used in combination with epacadostat on a number of indications or tumor types, many of which were the same across multiple collaborations. We cannot assure you that potential conflicts will not arise or be alleged among these 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 development of a 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 therapeutics targets that fit within our focus on oncology, such as our collaborations with MacroGenics, Merus and Syndax Pharmaceuticals, 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 and Syros Pharmaceuticals. 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 otherwise be applied for other uses or 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 "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 may also 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 that could 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, or 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 company 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 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 MINJUVI drug substance manufacturing. For ZYNYZ, together with our collaborator MacroGenics, we are responsible for the sourcing and manufacturing of ZYNYZ. 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 API and finished product of our drug products and our other drug candidates and, in the case of JAKAFI, we only have a single source for its raw materials. 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 new 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 health care 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. In December 2018, we received a civil investigative demand from the U.S. Department of Justice, or DOJ, for documents and information relating to our speaker programs and patient assistance programs, including our support of non-profit organizations that provide financial assistance to eligible patients and in November 2019, the qui tam complaint underlying the DOJ inquiry was unsealed, at which time we learned that a former employee whom we had terminated had made certain allegations relating to the programs described above. While we deny that any improper claims were submitted to government payers, we agreed in May 2021 to settle the matter with the DOJ Civil Division for $12.6 million, plus certain statutory fees. 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 health care 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, February 2024, we entered into a purchase agreement with MorphoSys 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 key business relationships of 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 process in the U.S. and foreign jurisdictions may cause approvals to take longer than anticipated to obtain, 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, 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. We cannot assure you 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 each of the fiscal quarters in 2022 and in the third quarter of 2023 we recorded unrealized losses related to our investments in our collaboration partners, and we may experience additional losses related to our investments in future period. 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 now conduct some of our operations in Canada, commercial and clinical development activities in Japan, have opened an office in China and are working with 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 cause injury to our reputation, participants and investigators to withdraw from clinical trials, and 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. As a result, 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 factors discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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.

We anticipate that our drug discovery and development efforts and related expenditures will increase as we 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. To date, we do not have any drug products that have generated significant revenues other than from sales of JAKAFI and OPZELURA and we cannot assure you that we will generate substantial revenues from the drug candidates that we license or develop, including ICLUSIG, PEMAZYRE, MONJUVI/MINJUVI, ZYNYZ and NIKTIMVO 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 JAKAFI, ICLUSIG, PEMAZYRE, MONJUVI/MINJUVI, OPZELURA, ZYNYZ and NIKTIMVO 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 claims;
- 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 condensed consolidated balance sheets and condensed 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, on July 4, 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, or 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 European Union 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. On January 15, 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 20, 2025, President Trump signed an executive order effectively cancelling the United States' commitments to the global minimum tax rules, stating that those commitments cannot have any effect in the United States without an act of approval of the U.S. Congress and, on June 28, 2025, the G7 released a joint statement that it had reached an understanding with the United States for a proposed side-by-side system based on certain accepted principles, including that U.S.-parented groups, such as ours, would be exempt from certain provisions of Pillar Two. Any new tax legislation or initiatives could not only significantly increase our tax provision, cash tax liabilities, 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 for each of the three years ended December 31, 2024 and the three and nine months ended September 30, 2025. Future revenues from research and development collaborations depend upon continuation of the collaborations, the achievement of milestones and 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 "—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 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. The success of our drug discovery and development efforts will also depend on our ability to develop new compounds, drugs and technologies without infringing or misappropriating the 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 ruxolitinib and our 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 ruxolitinib and our 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 potentially 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, such as a drug candidate in-licensed to us or subject to a collaboration with a third-party, the protection of the 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 the 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 the United States 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. The United States 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, United States 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 the United States 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 United States 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 planned manufacturing operations. There are inherent costs and risks associated with implementing the 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 HIPAA, 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 and/or are proposing privacy and data protection laws and regulations which govern the collection and use of personal information and these may impose large fines and penalties for noncompliance. For example in the European Union, under the General Data Protection Regulation, potential fines for noncompliance are up to €20 million or 4% of the 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 software, 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 based software is increasing in the biopharmaceutical industry. As with many developing technologies, artificial intelligence based software 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 based software may also lead to the release of confidential proprietary information, which may impact our ability to realize the benefit of our intellectual property.

Item 5. Other Information

(a) On October 27, 2025, the Compensation Committee (the "Committee") of our Board of Directors adopted the Incyte Corporation Executive Severance Plan (the "Plan"). Under the Plan, participants in the Plan designated by the Committee are entitled to certain benefits in the event of certain terminations of employment not covered by the Employment Agreements between the participants and the Company that cover certain terminations of employment during the 24-month period following a Change in Control (as defined in such Employment Agreements). The Committee has designated all of the Company's Executive Vice Presidents and the Company's President, Research and Development as participants in the Plan. Under the Plan, if a participant's employment is terminated by the Company without Cause (as defined in the Plan) or by a participant for Good Reason (as defined in the Plan), the benefits the Company will provide to the participant include the following:

- the participant's unpaid annual base salary through the date of termination and any accrued and unused vacation or paid time of;
- the sum of the participant's annual base salary and target bonus under the Company's annual incentive compensation plan for the year in which the termination occurs;
- the payment of COBRA premiums by the Company, or the cash equivalent thereof, for the participant and the participant's family for up to 12 months;
- basic life insurance coverage for the participant for up to 12 months; and
- outplacement services for up to 12 months.

Under the Plan, the payment of the cash amounts and provision of the benefits upon termination of employment are subject to the participant's compliance with non-competition, non-solicitation and non-disparagement covenants that extend for 12 months from termination of employment, as well as confidentiality and litigation and regulatory cooperation obligations. Participants who are party to an offer letter with the Company providing for greater severance payments or benefits than those payable under the Plan will be provided such greater payments or benefits, to the extent applicable, in lieu of the corresponding amounts payable under the Plan.

The foregoing description of the Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Plan, a copy of which is filed as Exhibit 10.4 to this Quarterly Report on Form 10-Q.

(c) During the three months ended September 30, 2025, the following director and officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934 (the "Exchange Act")) of our Company adopted a prearranged trading plan relating to our common stock and intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act:

Hervé Hoppenot, a director and the Special Advisor to the Chief Executive Officer, adopted a trading plan on August 11, 2025 providing for the sale of up to an aggregate of 187,500 shares of our common stock until August 11, 2026.

Steven Stein, our Executive Vice President and Chief Medical Officer, adopted a trading plan on August 6, 2025 providing for the sale of up to an aggregate of 69,435 shares of our common stock until August 6, 2026.

Lee Heeson, our Executive Vice President and Head of Incyte International, adopted a trading plan on August 4, 2025 providing for the sale of up to an aggregate of 3,074 shares of our common stock until August 4, 2026.

Thomas Tray, our Vice President, Chief Accounting Officer, adopted a trading plan on August 22, 2025 providing for the sale of up to an aggregate of 4,143 shares of our common stock until August 24, 2026.

Patrick Mayes, our Executive Vice President, Chief Scientific Officer, adopted a trading plan on September 8, 2025 providing for the sale of up to an aggregate of 5,750 shares of our common stock until September 8, 2026.

Michael Morrissey, our Executive Vice President, Head of Global Technical Operations, adopted a trading plan on September 16, 2025 providing for the sale of up to an aggregate of 58,331 shares of our common stock until September 16, 2026.

Mohamed Issa, our Executive Vice President, Head of US Oncology, adopted a trading plan on September 15, 2025 providing for the sale of up to an aggregate of 11,813 shares of our common stock until September 15, 2026.

During the three months ended September 30, 2025, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of our Company adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities, whether or not intended to satisfy the affirmative defense conditions of Rule 10b5-1(c), other than as set forth above.

Item 6. Exhibits

Exhibit Number	Description of Document
10.1#	Form of Employment Agreement between the Company and Ramitpal K. Basi effective August 25, 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).
10.2#	Form of Employment Agreement between the Company and David H. Gardner effective September 22, 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).
10.3#	Form of Employment Agreement between the Company and Patrick A. Mayes effective July 21, 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).
10.4#*	Incyte Corporation Executive Severance Plan.
31.1*	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) Certification of Principal Financial Officer.
32.1**	Statement of the Chief Executive Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
32.2**	Statement of the Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350).
101.INS*	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Presentation Linkbase Document.
101.DEF*	XBRL Taxonomy Definition Linkbase Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Filed herewith.

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

# Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INCYTE CORPORATION

Dated: October 28, 2025

By: /s/ WILLIAM J. MEURY

William J. Meury
President, and Chief Executive Officer
(Principal Executive Officer)

Dated: October 28, 2025

By: /s/ THOMAS TRAY

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

Incyte Corporation
Executive Severance Plan

This Executive Severance Plan (the "Plan") was adopted by the Compensation Committee of the Board of Directors of Incyte Corporation (the "Company") on October 27, 2025 to provide certain severance benefits to selected executives of the Company.

1. Definitions

As used in this Plan, the following terms shall have the respective meanings set forth below:

(a) "Administrator" means the Compensation Committee of the Board or its delegate as the administrator of this Plan.

(b) "Base Salary" means the Participant's annual rate of base salary in effect immediately prior to the Participant's Qualifying Termination; provided, however, that if the Participant's Qualifying Termination has occurred by reason of a reduction in base salary, then the Base Salary to be used in calculating the severance payment under this Plan shall be the Participant's base salary in effect immediately prior to such reduction.

(c) "Board" means the Board of Directors of the Company.

(d) "Cause" means

(i) the Participant's continued failure to perform substantially the Participant's duties with the Company, other than any such failure resulting from incapacity due to Disability, which incapacity has been recognized as such by the Board or the CEO, after a written demand for substantial performance has been delivered to the Participant by the Board or the CEO that specifically identifies the manner in which the Board or CEO believes the Participant has not substantially performed such duties;

(ii) the willful engaging by the Participant in illegal conduct, gross misconduct or dishonesty that is materially and demonstrably injurious to the Company;

(iii) the Participant's conviction of, or the entry of a pleading of guilty or nolo contendere to, any crime involving fraud or embezzlement or any felony;

(iv) the Participant's intentional, material violation of any contract or agreement between the Participant and the Company, any statutory duty the Participant owes the Company, or any material Company policy, in each case that the Participant does not correct within thirty (30) days after written notice thereof has been provided to the Participant; or

(v) unauthorized and prejudicial disclosure or misuse of the Company's secret, confidential or proprietary information, knowledge or data relating to the Company or its affiliates.

(e) "CEO" means the Company's Chief Executive Officer.

(f) "Code" means the Internal Revenue Code of 1986, as amended.

(g) "Company" means Incyte Corporation and any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by operation of law, or otherwise.

(h) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or similar state law.

(i) "Disability" means the absence of the Participant from the Participant's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness or impairment which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Participant or the Participant's legal representative.

(j) "Employment Agreement" means the Employment Agreement (if any) between the Company and the Participant providing for severance pay and other benefits if the Participant's employment is terminated under certain circumstances during the 24-month period following a "Change in Control" as defined in such Employment Agreement.

(k) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(l) "Good Reason" means:

(i) a material diminution, without the Participant's consent, in the Participant's responsibilities, authority or duties, including a material change in reporting relationship (excluding any diminution during periods of the Participant's physical or mental incapacity); or

(ii) a material diminution of more than 10% in the Participant's base salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company.

A Participant's Qualifying Termination shall not be considered to be for Good Reason unless (A) within ninety (90) days after the initial existence of the applicable event or condition that is purported to give rise to a basis for termination for Good Reason, the Participant provides written notice of the existence of such event or condition to the Company, (B) such event or condition is not cured within thirty (30) days after the date of the written notice from the Participant to the Company, provided that the Company may notify the Participant at any time prior to expiration of the cure period that it will not cure the circumstances, in which case the cure period shall end immediately upon such notification, and (C) the Participant terminates employment no later than thirty (30) days after the expiration of the applicable cure period.

(m) "Participant" means an officer of the Company designated by the Compensation Committee of the Board as eligible to participate in this Plan.

(n) "Plan" means this Incyte Corporation Executive Severance Plan as set forth herein and as amended from time to time.

(o) "Qualifying Termination" means the termination of a Participant's employment (i) by the Company other than for Cause or Disability, or (ii) by a Participant for Good Reason.

(p) "Separation Benefits" means the benefits payable in accordance with Section 2(a)(ii)-(iv) of this Plan.

(q) "Termination Date" means the date of the Participant's Qualifying Termination.

2. Payments and Benefits Upon Termination of Employment

(a) Upon a Qualifying Termination, a Participant shall be entitled to receive:

(i) Any unpaid wages due for periods prior to the Participant's Termination Date, and all of the Participant's accrued and unused vacation or paid time off through the Termination Date. These payments shall be made promptly upon termination and within the period of time mandated by law. Amounts which are vested benefits or which the Participant is otherwise entitled to receive under any plan of or any agreement with the Company or any of its affiliated companies at or subsequent to the Termination Date shall be payable in accordance with such plan or agreement except as explicitly modified by this Plan.

(ii) Severance pay in an amount equal to the sum of (A) the Participant's Base Salary plus (B) the Participant's target annual cash bonus under the Company's Incentive Compensation Plan (or any successor annual cash bonus plan) for the year in which the Qualifying Termination occurs. Such amount shall be paid in a lump sum cash payment in accordance with Incyte's customary payroll practices at the time provided in Section 2(b).

(iii) If the Participant timely elects to continue the Participant's medical, dental, and vision coverage under COBRA (including, if applicable, continuation of coverage for the Participant's spouse and dependents), then the Company shall pay the COBRA premiums for the Participant and/or the Participant's dependents directly to the applicable insurer or third party administrator until the earlier of (A) the date that is twelve months after the Participant's Termination Date, or (B) the date the Participant becomes employed with another employer and is eligible to receive medical coverage under such other employer's group health plan. Notwithstanding the foregoing, if and to the extent providing such COBRA premium payments would result in imposition on the Company of the tax under Section 4980D of the Code or otherwise violate applicable law, the Company shall provide cash payments to the Participant sufficient, on an after-tax basis, to enable the Participant to purchase the affected coverage.

(iv) The Company shall continue to provide the Participant with basic life insurance coverage at the level provided immediately prior to the Qualifying Termination, through conversion to individual coverage or otherwise, and shall pay the premiums for such coverage directly to the applicable insurer until the earlier of (A) the date that is twelve months after the Participant's Termination Date, or (B) the date the Participant becomes employed with another employer and is eligible to receive life insurance coverage under such other employer's plans.

(v) The Company shall, at its sole expense as incurred, provide the Participant with outplacement services for a period of 12 months following the Participant's Termination Date, the scope and provider of which shall be selected by the Company.

(b) The payment of the cash amounts and the provision of the benefits set forth in Sections 2(a)(ii), (iii), (iv) and (v) are subject to the Participant's compliance with the non-competition, non-solicitation, non-disparagement, confidentiality, and litigation and regulatory cooperation obligations set forth in Sections 3, 4 and 5 below, and to the Participant's execution, delivery and non-revocation of an effective release of all claims against the Company, its successor or any of its respective affiliates in a form provided by the Company (the "Release") within the sixty (60) day period following the Participant's Termination Date (the "Release Period"). The payment of the cash severance amount pursuant to Section 2(a)(ii) shall be made on the first payroll date following the date on which the Release becomes irrevocable, provided, that if the Release Period spans two (2) calendar years, then such payment shall be made on the first payroll date that occurs in the second calendar year.

(c) This Plan shall amend and supersede the provisions of any offer letter between the Company and the Participant that provide for severance pay or other benefits upon the Participant's termination of employment; provided, however, that if and to the extent such offer letter provides severance pay or other benefits more generous than those provided under this Plan, the terms of such offer letter shall apply.

(d) In the event that a Participant is covered by an Employment Agreement and a "Change in Control" as defined in such Employment Agreement occurs, this Plan shall not apply to such Participant during the 24-month period following the occurrence of the Change in Control. The Employment Agreement shall be the sole source of severance pay and other separation benefits in the event of the Participant's termination of employment with the Company during such 24-month period.

3. Non-competition, Non-solicitation and Non-disparagement. During the twelve (12) month period beginning on the Termination Date, the Participant shall not, without the prior express written consent of the Company, anywhere in the world, for the Participant's own benefit or for, with or through any other person, firm, partnership, corporation or other entity or individual (other than the Company or its affiliates) as or in the capacity of an owner, shareholder, employee, consultant, director, officer, trustee, partner, agent, independent contractor and/or in any other representative capacity or otherwise:

(a) Personally work for, advise, manage, act as a partner, co-venturer, shareholder, agent, employee or consultant for, or otherwise provide any services or assistance to or investment in, in each case in a Competitively-Sensitive Capacity (as hereinafter defined) (i) any person or entity engaged in research, development, production, sale or distribution of a product or service competitive with or substantially similar to any product or service in research, development or design, or manufactured, produced, sold or distributed by the Company of any of its affiliates; or (ii) any person or entity that otherwise competes or intends to compete with the Company or any of its affiliates;

(b) Personally (or personally direct another to) solicit or hire (A) any employee of the Company or its affiliates at the time of such solicitation or hiring or (B) any former employee of the Company or its affiliates who had such relationship within six (6) months prior to the date of such solicitation or hiring, including but not limited to attempting to induce any such employee of the Company or its affiliates to leave the employ of the Company or its affiliates; or

(c) Personally (or personally direct another to) disparage the Company, any of its products or practices, or any of its directors, officers, agents, representatives, owners or employees, either orally or in writing; provided, that the Participant may confer in confidence with the Participant's legal representatives and make truthful statements as required by law. Without limiting the foregoing, the Company shall not personally (or personally direct another to) disparage the Participant, either orally or in writing; provided, that the Company may confer in confidence with its legal representatives and make truthful statements as required by law.

For purposes of this Section 3, "Competitively-Sensitive Capacity" means (i) the same or similar capacity or function in which the Participant worked for the Company or one of its affiliates at any time during the two (2) years immediately preceding the Termination Date; (ii) any officer, director, executive or senior management capacity or function; (iii) any research and development capacity or function; (iv) any sales management or business development management capacity or function; (v) any ownership capacity (except the Participant may own as a passive investment up to 2% of any publicly traded securities); and/or (vi) any other capacity or function in which there is a material risk that the Participant would likely use or disclose trade secrets and/or confidential information of the Company or its affiliates. For purposes of clarity, if a competing business has multiple divisions, lines or segments, nothing in this Section 3 shall prohibit the Participant from being employed by, working for or assisting only that division, line or segment of such competing business that is not competitive with the business of the Company or its affiliates, provided the Participant is not involved in a Competitively-Sensitive Capacity in the research, development, manufacture, provision or sale of any products that compete with any products of the Company or its affiliates.

For purposes of this Section 3, the term "solicit" means any communication of any kind whatsoever, regardless of by whom initiated, inviting, encouraging or requesting any person or entity to take or refrain from taking any action.

The Participant and the Company acknowledge and agree that the worldwide geographic scope of the foregoing covenants is reasonable and necessary given, among other things, that: (i) absent the restrictions, the Participant could utilize the Company's or its affiliates' trade secrets and/or confidential information and compete with the Company or its affiliates from virtually anywhere; and (ii) such scope is the only way for the Company and its affiliates to protect their trade secrets and confidential information.

4. Confidentiality. The Participant shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Participant during the Participant's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Participant or representatives of the Participant in violation of this Plan). After the Participant's Termination Date, the Participant shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 4 constitute a basis for deferring or withholding any amounts otherwise payable to the Participant under this Plan. The Participant also acknowledges and agrees that the Participant is bound by the terms and conditions of the Confidential Information and Invention Assignment Agreement separately entered into between the Participant and the Company, as well as any other agreement entered

into between the Participant and the Company with respect to confidential information, each of which shall survive any termination of this Plan in accordance with its terms.

5. Litigation and Regulatory Cooperation. During and after the Participant's employment, the Participant shall cooperate fully with the Company and its affiliates in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company or its affiliates which relate to events or occurrences that transpired while the Participant was employed by the Company or its affiliates. The Participant's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company or its affiliates at mutually convenient times. During and after the Participant's employment, the Participant also shall cooperate fully with the Company and its affiliates in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Participant was employed by the Company or its affiliates. The Company shall reimburse the Participant for any reasonable out-of-pocket expenses incurred in connection with the Participant's performance of obligations pursuant to this Section 5.

6. Injunctive relief. The Participant acknowledges and agrees that it would be difficult to measure any damages caused to the Company or its affiliates which might result from any breach by the Participant of the provisions of Section 3, 4 or 5 of this Plan, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, subject to Section 7 of this Plan, the Participant agrees that if the Participant breaches, or proposes to breach, any provision of Sections 3, 4 or 5 of this Plan, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

7. Claims for Benefits.

(a) Any claim for payments and benefits under the Plan must be submitted to the Administrator in writing. A claim must be made within six (6) months of the Participant's termination date. Any claim made beyond six (6) months after the Participant's termination date shall be time barred and the Participant will be expressly precluded from receiving any severance payments and/or benefits under the Plan. The Participant will be provided written or electronic notification by the Administrator or its delegate if the Participant is denied payments and benefits under the Plan or of any other adverse benefit determination. The notice shall provide the specific reason(s) for the determination and reference to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary to perfect the claim and an explanation why such material or information is necessary (if applicable), a description of the Plan's appeal procedures, including the time limits and a statement of the Participant's right to bring a civil action following an appeal.

(b) If a claim for benefits under the Plan is denied in full or in part or the Participant receives some other adverse benefit determination, the Participant may appeal the decision to the Administrator. To appeal a decision, the Participant must submit a written document through the U.S. Postal Service or other courier service appealing the denial of the claim within 60 days after the date of the claim denial. If the Participant does not submit an appeal within this 60 day period, the Participant will not be entitled to appeal the denial or adverse benefit determination. The Participant may also include information or other documentation in support of the Participant's claim. Upon request, the Participant will be provided reasonable access to and copies of, all documents, records and other information relevant (as defined by ERISA) to the claim. The Participant may have a qualified person represent the Participant during the appeal process. The Participant will be notified of a decision within 60 days (which may be extended to 120 days, if required) of the date the appeal is received. If an extension of time is required by the

Administrator, the Participant will receive notice of the reason for the extension within the initial 60-day period and a date by which the Participant can expect a decision. Any decision on appeal shall be final, conclusive and binding upon all parties. If the appeal is denied, however, the Participant will be advised of his or her right to file a claim in court.

(c) The Participant may not bring a lawsuit to recover benefits under the Plan until the Participant has exhausted the internal administrative process described above. No legal action may be commenced at all unless commenced no later than one (1) year following the issuance of a final decision on the claim for benefits, or the expiration of the appeal decision period if no decision is issued pursuant to the claims review procedures described above. This one-year statute of limitations on suits for all benefits shall apply in any forum where the Participant may initiate such a suit.

8. Withholding Taxes. The Company may withhold from all payments or benefits due hereunder all taxes which, by applicable federal, state, local or other law, it is required to withhold therefrom.

9. Section 409A. Notwithstanding anything contained in this Plan to the contrary, to the maximum extent permitted by applicable law, amounts payable and benefits provided to a Participant pursuant to Section 2 shall be made in reliance upon Treasury Regulation Section 1.409A-1(b)(9) (Separation Pay Plans) or Treasury Regulation Section 1.409A-1(b)(4) (Short-Term Deferrals) or any other exception from Section 409A of the Code ("Section 409A") permitted under applicable guidance. For this purpose each payment or benefit to which Participant is entitled under Section 2 shall be considered a separate and distinct payment. In addition, for purposes of the Plan, if any amounts or benefits to be paid or provided under the Plan are considered to be nonqualified deferred compensation subject to Section 409A then (i) no such amounts or benefits shall be payable or provided unless the Participant's termination of employment constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h) and (ii) if the Participant is deemed at the time of his or her separation from service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, then no amounts or benefits that are nonqualified deferred compensation shall be paid or provided to the Participant until the first day of the seventh month following the Participant's separation from service or, if earlier, the date of the Participant's death, to the extent such delayed payment is required to avoid a prohibited distribution under Code Section 409A(a)(2), or any successor provision thereof.

10. Termination or Amendment of Plan. The Board or the Compensation Committee of the Board shall have the right at any time, in its sole discretion, to terminate or amend the Plan, which right includes, but is not limited to the right to add any person to the Plan as a Participant or to remove any person from the Plan as a Participant. In no event shall an amendment or termination of this Plan adversely affect the Separation Benefits of a Participant who has had a Qualifying Termination prior to the date of such amendment or termination; provided, however, that the Board or the Compensation Committee may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder.

11. Successors.

(a) This Plan shall not be terminated by any merger, consolidation, share exchange, or similar event involving the Company whereby the Company is or is not the surviving or resulting entity. In the event of any merger, consolidation, share exchange or similar event, the

provisions of this Plan shall be binding upon the surviving or resulting corporation or the person or entity to which the Company's assets are transferred.

(b) Concurrently with any merger, consolidation, share exchange or sale, lease or transfer of all or substantially all of its assets, the Company will cause any successor or transferee unconditionally to assume all of the obligations of the Company hereunder, provided that nothing in this Section 11 shall limit the ability of the Company or any such successor or transferee to terminate or amend the Plan in accordance with Section 10, subject to the provisions in the second sentence thereof.

(c) This Plan shall inure to the benefit of and be enforceable by each Participant's personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees, and legatees. If a Participant shall die while any amounts are payable to such Participant hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such Participant's estate.

12. No Mitigation or Offset. The obligation of the Company to provide a Participant with the Separation Benefits and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against such Participant or others. In no event shall a Participant be obligated to seek other employment or take other action by way of mitigation of the amounts payable to such Participant under any of the provisions of this Plan and such amounts shall not be reduced whether or not such Participant obtains other employment, except as specifically provided herein.

13. Governing Law; Validity. The interpretation, construction and performance of this Plan shall be governed by and construed and enforced in accordance with ERISA, the Code and other pertinent Federal laws and, to the extent not preempted by ERISA, in accordance with the laws of the State of Delaware without regard to the principle of conflicts of laws. The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision of this Plan, which other provisions shall remain in full force and effect.

14. Administration. The Plan shall be administered by the Administrator which shall have the sole discretion to interpret the Plan and to determine eligibility for benefits hereunder. The Administrator may prescribe, amend and rescind rules and regulations under the Plan and make all other determinations necessary or advisable for the administration of the Plan, subject to all of the provisions of the Plan. The Administrator may delegate any of its duties hereunder to such person or persons from time to time as it may designate. The Administrator is empowered, on behalf of the Plan, to engage accountants, legal counsel and such other personnel as it deems necessary or advisable to assist it in the performance of its duties under the Plan. The functions of any such persons engaged by the Administrator will be limited to the specified services and duties for which they are engaged, and such persons will have no other duties, obligations or responsibilities under the Plan. Such persons will exercise no discretionary authority or discretionary control respecting the management of the Plan. All reasonable expenses thereof will be borne by the Company.

15. Notices.

(a) For purposes of this Plan, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or delivered by overnight courier, or when mailed by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

if to the Company:

Incyte Corporation
Attn: General Counsel
1801 Augustine Cut-off
Wilmington, DE 19803

if to the Participant, at the home address which the Participant most recently communicated to the Company in writing.

Either party may provide the other with notices of change of address, which shall be effective upon receipt. Notices and communications shall be effective when actually received by the addressee.

(b) Any termination by the Company of the Participant's employment or any resignation by the Participant that is a Qualifying Termination shall be communicated by a notice of termination or resignation to the other party hereto given in accordance with Section 15(a) above. Such notice shall indicate the specific termination provision in this Plan relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and shall specify the termination date.

16. Miscellaneous.

(a) The Company shall not be required to fund or otherwise segregate assets to be used for the payment of any benefits under the Plan. The Company shall make such payments only out of its general corporate funds, and therefore its obligation to make such payments shall be subject to any claims of its other creditors.

(b) This Plan does not constitute a contract of employment or impose on the Company any obligation to retain a Participant as an officer or employee (as the case may be), to retain a Participant as a Participant (prior to the Participant's Termination Date), not to change the status of a Participant's at-will employment, or not to change the policies of the Company regarding termination of employment.

(c) No rights of any Participant (or beneficiary) to payments of any amounts under the Plan shall be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of other than by will or by the laws of descent and distribution. No right or interest of any Participant under the Plan shall be liable for, or subject to, any obligation or liability of such Participant.

(d) Unless the Company specifically provides otherwise, any benefits payable under this Plan shall not be taken into account for purposes of determining benefits payable to a Participant under any other benefit plan or program.

(e) The Company's obligations hereunder shall be subject to all applicable laws, and the Separation Benefits and other benefits payable hereunder may be adjusted to comply with any such laws.

(f) The Participant's or the Company's failure to insist upon strict compliance with any provision of this Plan or to assert any right the Participant or the Company may have under this Plan shall not be deemed a waiver of such provision or right or any other provision or right under this Plan.

(g) Except as provided in Sections 2(c) and 2(d) of this Plan, the benefits provided under this Plan shall be in lieu of any other severance payments and/or benefits provided by the Company, including but not limited to any payments and/or benefits under an applicable employment agreement or offer letter between the Company and the Participant. The Separation Benefits payable pursuant to Section 2 of the Plan are subject to clawback under the circumstances detailed in the Company's Policy for Recoupment of Erroneously Awarded Compensation and its Policy for Recoupment of Incentive Compensation.

Exhibit 31.1

CERTIFICATION

I, William J. Meury, certify that:

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

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

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

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

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

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

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

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

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

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

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

/s/ WILLIAM J. MEURY

William J. Meury
Chief Executive Officer

October 28, 2025

Exhibit 31.2

CERTIFICATION

I, Thomas Tray, certify that:

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

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

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

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

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

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

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

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

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

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

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

/s/ THOMAS TRAY

Thomas Tray
Vice President and Chief Accounting Officer
(Principal Financial Officer and Principal Accounting Officer)
October 28, 2025

Exhibit 32.1

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

With reference to the Quarterly Report of Incyte Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 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
October 28, 2025

Exhibit 32.2

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

With reference to the Quarterly Report of Incyte Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 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)
October 28, 2025