



TABLE OF CONTENTS

Letter to Shareholders	2
Key Planned Goals for 2017	6
Innovation	7
Growth	10
Strength	13
Corporate Responsibility	15
Company Information	19





Incyte's Executive Management Team

Standing, left to right:
 Steven H. Stein, MD;
 Paula J. Swain;
 Wenqing Yao, PhD;
 Jonathan E. Dickinson;
 David W. Gryski;
 Hervé Hoppenot;
 Michael Morrissey;
 Vijay Iyengar, MD

Seated, left to right:
 Eric H. Siegel, JD, MBA;
 Reid M. Huber, PhD;
 Barry P. Flannelly,
 PharmD, MBA

LETTER TO SHAREHOLDERS

Dear Shareholders,

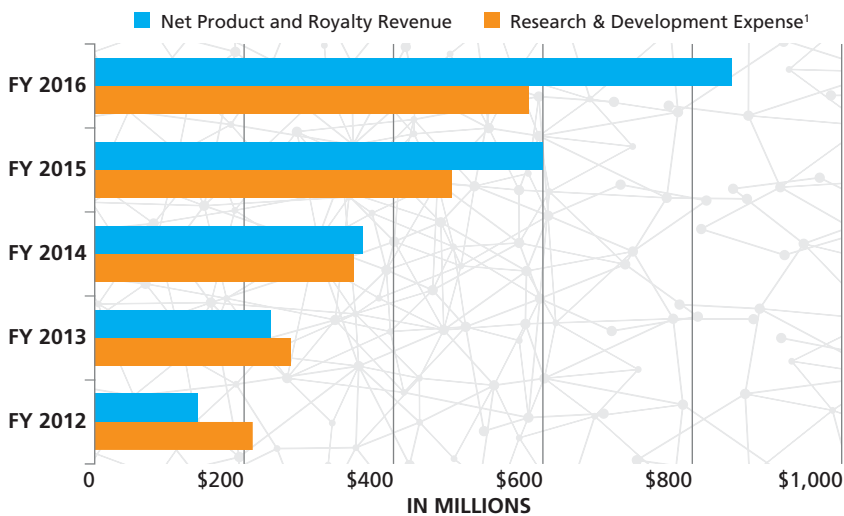
At Incyte, we believe that innovation and the discovery of new products creates long-term value for patients and society, as well as for our employees and our shareholders. It is our commitment to these objectives that has enabled us to make significant progress in the last year. During 2016, we saw continued growth in the number of patients being treated with Jakafi® (ruxolitinib), our JAK1/JAK2 inhibitor, and we also added Iclusig® (ponatinib) to our commercial portfolio as part of our European transaction with ARIAD Pharmaceuticals, Inc. In February 2017, with Eli Lilly & Company, we announced the European approval of Olumiant® (baricitinib).

I believe that we are on track to reach our goal of becoming a world-class, global biopharmaceutical organization. For the first time in the history of our company, Incyte's total yearly revenue surpassed \$1 billion in 2016. Our revenue growth this past year was largely fueled by

Summary of Revenue-Generating Products

PRODUCT NAME	DRUG NAME	TARGET	APPROVED TERRITORY	INDICATION(S)
Jakafi® Jakavi®	ruxolitinib ¹	JAK1/JAK2	Global	MF ³ ; PV ⁴
Iclusig®	ponatinib	BCR-ABL	Europe	CML and Ph+ ALL ⁵
Olumiant®	baricitinib ²	JAK1/JAK2	Europe	RA ⁶

1. Ex-U.S. rights to ruxolitinib licensed to Novartis, commercialized by Novartis as Jakavi
2. Worldwide rights to baricitinib licensed to Lilly
3. Intermediate or high-risk myelofibrosis (MF), including primary myelofibrosis, post-polycythemia vera myelofibrosis and post-essential thrombocythemia myelofibrosis
4. Patients with polycythemia vera (PV) who have had an inadequate response to or are intolerant of hydroxyurea
5. Chronic myeloid leukemia (CML) and Philadelphia-positive (Ph+) acute lymphoblastic leukemia (ALL) who are resistant to or intolerant of certain second generation BCR-ABL inhibitors and all patients who have the T315I mutation
6. Moderate to severe active rheumatoid arthritis (RA) in adult patients who have responded inadequately to, or who are intolerant to one or more disease-modifying anti-rheumatic drugs



Jakafi sales in the U.S. which, in turn, was driven in large part by the growing base of MF and PV patients that are benefiting from this treatment. The revenue generated by our products allows us to continue to reinvest in our portfolio — we expect that the investments we are making today will position us for long-term success.

1. 2017 Research & Development Expense Guidance = \$990–\$1,040 million

We have a broad and diversified selection of clinical candidates in our growing portfolio, the majority of which were created in our own laboratories in Wilmington, DE, which is further testament to our commitment to innovation.

We believe that our portfolio contains both first-in-class and best-in-class candidates and that it is both unique and unparalleled for a company of our size. It has also grown considerably in 2016. In last year’s Letter to Shareholders and Annual Report, we detailed 14 clinical candidates, more than half of which have since moved forward into the next stage of clinical development. We have also added four new clinical candidates resulting from our internal discovery efforts as well as licensing transactions in the last twelve months. I’ll now detail some of the major advances we have made and are planning across our portfolio.

Jakafi, first approved in 2011, has over a decade of expected patent protection remaining in the U.S. and we plan to use this opportunity to investigate its potential utility in other disease areas. These plans include a pivotal program in patients with steroid-refractory graft versus host disease (GVHD), which is underway, and a pivotal program in patients with essential thrombocythemia, which is planned to begin later this year.

Following positive proof-of-concept data published late last year, itacitinib, our selective JAK1 inhibitor, is expected to begin a pivotal program in patients with treatment-naïve acute GVHD this year.

We believe that IDO1 enzyme inhibition could represent an exciting new therapeutic combination option for patients with cancer. To that end, our robust ECHO (Epacadostat Clinical development in Hematology and Oncology) program is investigating epacadostat, our IDO1 enzyme inhibitor, in combination with checkpoint inhibitors, vaccines, chemotherapy, and epigenetic therapies. ECHO-301, a Phase 3 trial of epacadostat in combination with pembrolizumab in patients with unresectable or metastatic melanoma is ongoing, and we look forward to sharing those data once available. Earlier this year, we announced significant expansions of the ECHO program, and during 2017 we expect to initiate pivotal trials of epacadostat in combination with pembrolizumab in four new tumor types and epacadostat in combination with nivolumab in two tumor types.

Over the last 12 months, we initiated four Phase 2 trials that, if successful, may be registration-enabling. Our FGFR1/2/3 inhibitor, INCB54828, is being studied across three different trials in patients with bladder cancer, cholangiocarcinoma, and 8p11 MPNs respectively. The fourth potentially-pivotal Phase 2 trial is the CITADEL-202 study of our PI3k δ inhibitor, INCB50465, which recently began in patients with diffuse large B-cell lymphoma (DLBCL).

Our early-stage targeted portfolio also progressed well last year, including the addition of a second BRD inhibitor, INCB57643, and our LSD1 inhibitor, INCB59872, into clinical trials. We expect our FGFR4 inhibitor, INCB62079, to enter clinical trials this year, and dose-escalation trials for our first BRD inhibitor, INCB54329, and our PIM inhibitor, INCB53914, are ongoing.

Within our early-stage immuno-therapy portfolio, dose-escalation trials of INCB01158, the arginase inhibitor we recently licensed from Calithera, INCAGN1876, our anti-GITR agonist, and INCAGN1949, our anti-OX40 agonist, are all ongoing. We continue to perform a thorough assessment of the profile of our PD-1 inhibitor, INCSHR1210, before determining whether to enroll any additional subjects.

Our development program for a topical formulation of ruxolitinib continues to progress and is currently being studied in patients with alopecia areata and with atopic dermatitis. A trial in patients with vitiligo is expected to begin in the coming months.

I'll finish the portfolio review with an update on our partnered programs. Baricitinib, marketed as Olumiant by Eli Lilly, was recently approved in Europe for the treatment of patients with rheumatoid arthritis. In April 2017, the FDA issued a complete response letter (CRL) for baricitinib. In the letter, the FDA indicated that additional clinical data are needed to determine the most appropriate doses as well as to further characterize safety concerns across treatment arms. We, along with Lilly, disagree with the agency's conclusions and we currently expect that Lilly plans to now engage with the FDA to discuss their concerns in an effort to determine a potential path forward. Capmatinib, the c-MET inhibitor which we licensed to Novartis, is currently in a Phase 1b/2 trial in patients with lung cancer, data from which are expected in 2017.

Since last year's Annual Report we have announced three strategic transactions, which strengthened Incyte in important ways.

In December last year, we announced a strategic collaboration with Merus NV, which provides us with long-term access to its leading bispecifics technology, Biclomics, for up to 11 programs.

Earlier this year, we announced a collaboration with Calithera Biosciences that gave us exclusive development and commercialization rights to INCB01158, the first-in-class, oral arginase inhibitor. We believe that arginase is an important target within the tumor microenvironment and could have a role in combination with other immuno-oncology therapies in our portfolio, including epacadostat.



The third transaction was the acquisition of ARIAD Pharmaceutical's European business which immediately expanded our footprint in Europe, adding significant experience, resources and relationships to our existing European organization. We are thrilled to have welcomed this group into our Incyte family. The expansion and addition to our European team leaves us well-positioned to maximize the potential of our broad development portfolio.

Incyte is building new corporate offices at the Wilmington, DE headquarters. Pictured here is an illustration of how the site will look once completed (expected at the end of 2017).

With a strong financial position driven by expected revenues from Jakafi and Iclusig and royalties from Jakavi and Olumiant, we will continue to invest in the long-term success of Incyte. Looking forward, we have taken the first steps towards expanding our company into the Asia-Pacific region, with initial plans for a clinical development team in Japan. We are also looking forward to moving into our newly expanded global headquarters in Wilmington, DE.

I would like to close by thanking my Incyte colleagues, who, as we strive to discover and develop innovative medicines for patients in need, are our greatest asset. I would also like to sincerely thank and recognize the patients, families, researchers, and physicians who participate in and help to conduct our clinical trials. Together, through our shared focus on innovation and a dedication to scientific excellence, we will seek to transform the future of cancer treatment.

Best regards,

A handwritten signature in blue ink, appearing to read 'Hervé Hoppenot'. The signature is stylized and fluid.

Hervé Hoppenot
Chairman, President and CEO



KEY PLANNED GOALS FOR 2017

INITIATION OF NEW PIVOTAL PROGRAMS:

- **Ruxolitinib (JAK1/JAK2):** Essential thrombocythemia
- **Itacitinib (JAK1):** Treatment-naive acute graft versus host disease
- **Epacadostat (IDO1):** Bladder, kidney, head & neck and lung cancer in combination with pembrolizumab
- **Epacadostat (IDO1):** Head & neck and lung cancer in combination with nivolumab

POTENTIAL CLINICAL DATA PRESENTATIONS:

- ✓ **INCB54828 (FGFR1/2/3):** Phase 1/2 dose escalation data; multiple solid tumors at the American Association for Cancer Research (AACR) Annual Meeting in April 2017
- **Epacadostat (IDO1):** Phase 2 data in combination with pembrolizumab; multiple tumor types (ECHO-202) at the American Society of Clinical Oncology (ASCO) in June 2017
- **Epacadostat (IDO1):** Phase 2 data in combination with nivolumab; multiple tumor types (ECHO-204) at the American Society of Clinical Oncology (ASCO) in June 2017
- **INCB54329 (BRD):** Phase 1/2 dose escalation data; advanced malignancies
- **INCB57643 (BRD):** Phase 1/2 dose escalation data; advanced malignancies
- **INCB53914 (PIM):** Phase 1/2 dose escalation data; advanced malignancies



INNOVATION

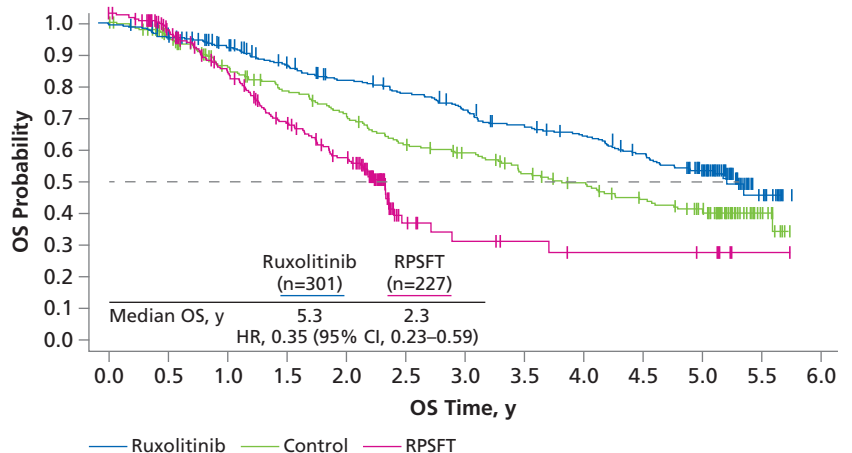
The pursuit of scientific excellence is at the core of Incyte. Through world-class biology and medicinal chemistry expertise, Incyte seeks to create first-in-class or best-in-class product candidates.

JAKAFI (ruxolitinib): The first and only JAK inhibitor approved for use in cancer patients

The signature example of our commitment to innovation is our JAK1/JAK2 inhibitor, ruxolitinib, which we commercialize in the U.S. as Jakafi. Our JAK inhibitor discovery program was initiated in 2003, and the first administration of ruxolitinib to a patient with myelofibrosis was in 2007. Jakafi was first approved by the FDA in 2011 for patients with intermediate and high-risk myelofibrosis (MF¹), and then in 2014 for patients with uncontrolled polycythemia vera (PV²). To date, more than 35,000 patients worldwide have been treated with ruxolitinib.

In 2016, we announced an exploratory pooled analysis of data from the five-year follow-up of the COMFORT-I and COMFORT-II Phase 3 trials of patients treated with Jakafi. These data further supported previously published overall survival findings, showing

Pooled 5-Year Data Supports Overall Survival Advantage Observed in Patients with MF Treated with Jakafi

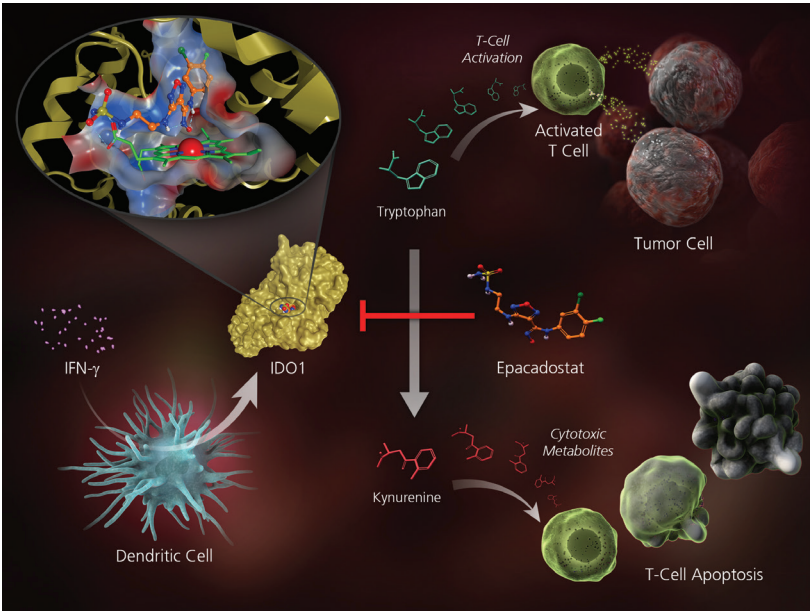


Verstovsek, et al, 2016 ASH poster (abstract 3110)
RPSFT = rank-preserving structural failure time
OS = overall survival

a 30 percent reduction in the risk of death for Jakafi patients versus those treated with best available therapy or placebo.

Incyte is the world-leader in JAK inhibition and the understanding of JAK/STAT biology, and Jakafi remains the first and only FDA-approved therapy for either MF¹ or PV². We plan to further expand development of ruxolitinib by initiating pivotal development programs in patients with graft versus host disease (GVHD), which has already begun, and in patients with essential thrombocythemia (ET), which we expect to start later this year.

EPACADOSTAT: The first-in-class IDO1 enzyme inhibitor for a new potential paradigm in cancer treatment



Incyte is also at the forefront of understanding the enzyme indoleamine 2, 3 dioxygenase 1 (IDO1), which is a key regulator of the mechanisms that are responsible for allowing tumors to escape from a patient's immune surveillance. By inhibiting IDO1, it is proposed that this "brake" on the anti-tumor immune response is removed, allowing greater anti-tumor efficacy. Epacadostat is a first-in-class, potent and selective

IDO1 suppresses T cell responses via tryptophan metabolism. Epacadostat, by blocking IDO1, enhances anti-tumoral immunity and inhibits tumor growth.

oral inhibitor of the IDO1 enzyme, and we are developing it in combination with other oncology agents.

ECHO (Epacadostat Clinical development in Hematology and Oncology) is a global clinical development program being conducted by Incyte to investigate epacadostat in combination with other immunotherapies across multiple tumor types.



Pivotal Development

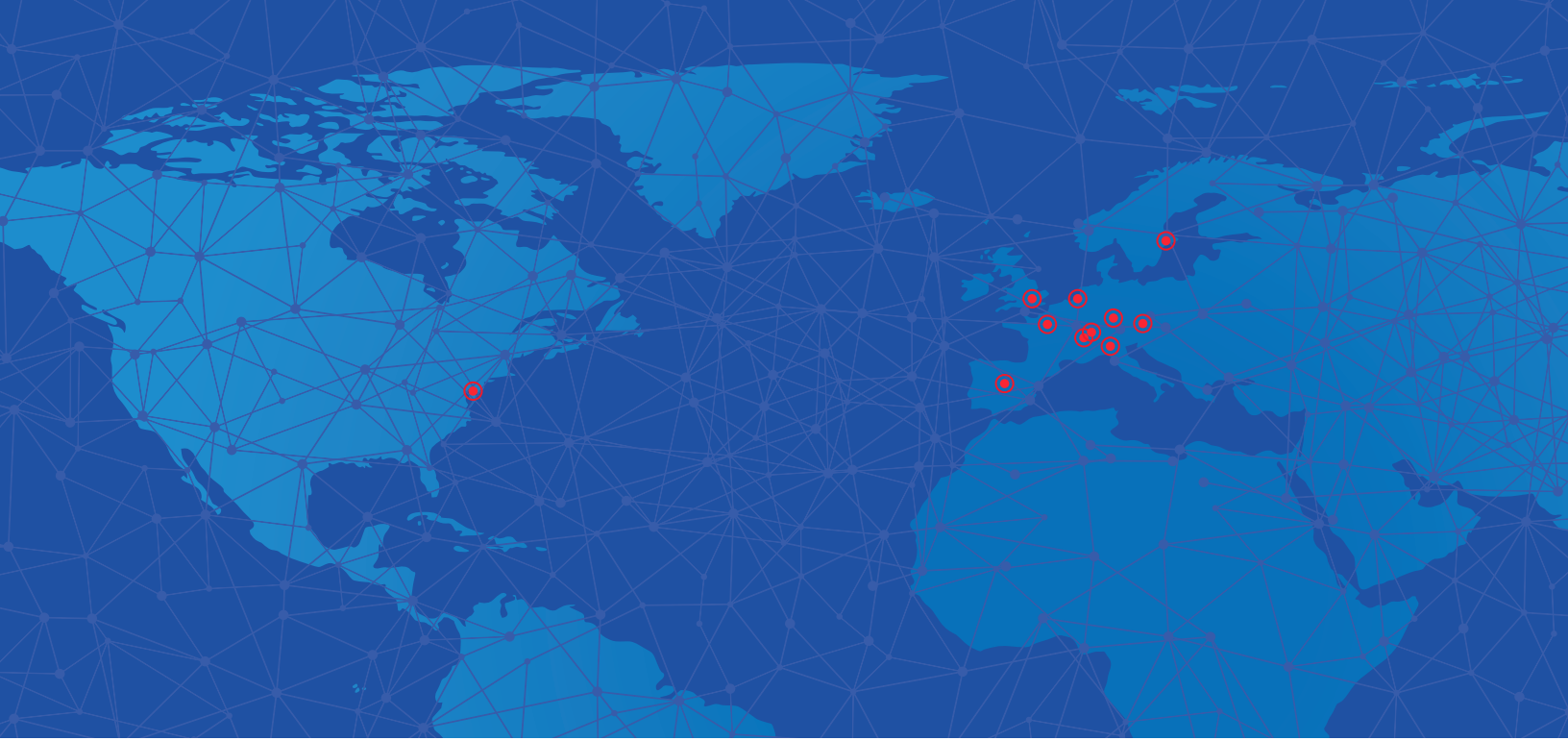
- Bladder cancer in combination with pembrolizumab
- Head & neck cancer in combination with pembrolizumab
- Melanoma in combination with pembrolizumab
- Non-small cell lung cancer in combination with pembrolizumab
- Renal cancer in combination with pembrolizumab
- Head & neck cancer in combination with nivolumab
- Non-small cell lung cancer in combination with nivolumab

Clinical data from the ECHO program to date has been exciting, and the most recent update was provided at the European Society for Medical Oncology (ESMO) meeting last year. In patients with melanoma, treatment with epacadostat in combination with pembrolizumab anti-PD-1 immunotherapy led to higher rates of disease

control and higher rates of objective responses which deepened over time, compared to those that have previously been observed with anti-PD-1 monotherapy.

The most advanced program in the ECHO series of trials is ECHO-301, the pivotal Phase 3 study of epacadostat plus pembrolizumab for the treatment of patients with unresectable or metastatic melanoma. If ECHO-301 is successful, Incyte plans to seek FDA approval of epacadostat in this indication. Additional pivotal programs are planned for epacadostat in combination with pembrolizumab in patients with non-small cell lung cancer (NSCLC), bladder cancer, renal cancer, and head & neck cancer as well as for epacadostat in combination with nivolumab in patients with NSCLC and head & neck cancer. We expect these programs to begin in 2017.

-
1. Intermediate or high-risk myelofibrosis (MF), including primary myelofibrosis, post-polycythemia vera myelofibrosis and post-essential thrombocythemia myelofibrosis
 2. Patients with polycythemia vera (PV) who have had an inadequate response to or are intolerant of hydroxyurea



Incyte Corporation's headquarters are in Wilmington, Delaware. We have expanded further into Europe with offices now located in:

- Madrid, Spain
- Amsterdam, The Netherlands
- Munich, Germany
- Geneva, Switzerland
- Lausanne, Switzerland
- Leatherhead, United Kingdom
- Milan, Italy
- Paris, France
- Stockholm, Sweden
- Vienna, Austria

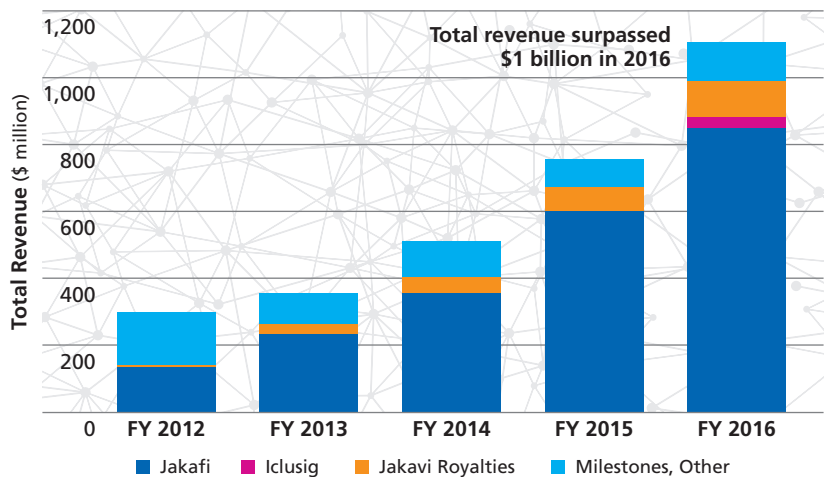
GROWTH

Our dynamic revenue growth has provided us with the resources to reinvest in our portfolio, which then supports the further growth of the company.

REVENUE

Net product revenue of Jakafi as well as royalties from ex-U.S. sales of Jakavi by Novartis have shown strong growth over the last five years. The annual growth of Jakafi sales in the U.S. in 2016 was 42%, and the annual growth of total sales in 2016 was 47%. We licensed European rights to Iclusig from

ARIAD in 2016, and after its European approval in early 2017, royalties from Olumiant sales by Lilly will provide us with a third source of revenue.



PRODUCT PORTFOLIO

Revenue growth supports the investments we are making in clinical development. We've added multiple products to our portfolio in the past twelve months, both from our laboratories and from partners via licensing transactions. In addition, more than half of our product candidates have moved into the next stage of development since last year (see graphic). We now have 18 clinical candidates against 14 targets in our portfolio.

Current Annual Report Portfolio

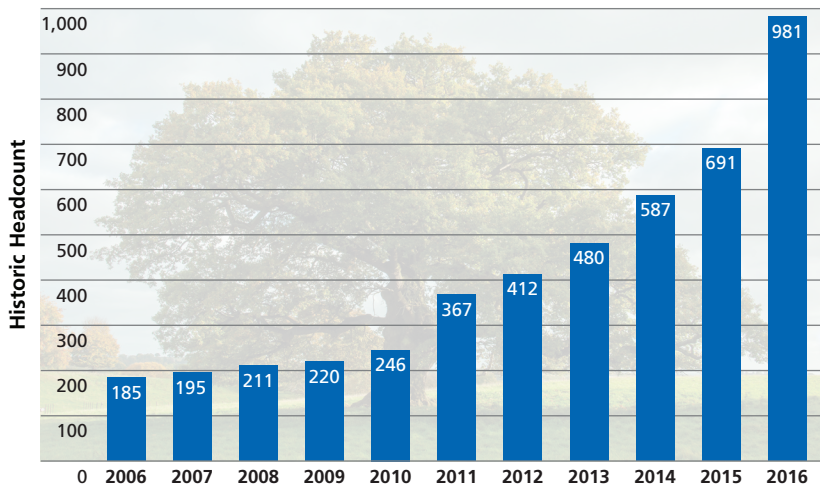
			DISCOVERY	CLINICAL PROOF OF CONCEPT	PIVOTAL	MARKETED
Targeted Therapy	Jakafi® (ruxolitinib) ¹	JAK1/JAK2	MF, PV ²			U.S.
	Iclusig® (ponatinib) ³	BCR-ABL	CML, Ph+ALL			Europe
	Ruxolitinib	JAK1/JAK2	GVHD			
	Ruxolitinib	JAK1/JAK2	Essential thrombocythemia ⁴			
	Itacitinib	JAK1	GVHD ⁴			
	Itacitinib	JAK1	NSCLC			
	INCB52793	JAK1	Advanced malignancies			
	INCB50465	PI3K	DLBCL			
	INCB54828	FGFR1/2/3	Bladder cancer, cholangiocarcinoma, 8p11 MPN			
	INCB54329	BRD	Advanced malignancies			
	INCB57643	BRD	Advanced malignancies			
	INCB53914	PIM	Advanced malignancies			
	INCB59872	LSD1	AML, small cell lung cancer			
INCB62079	FGFR4	Liver cancer				
Immuno-Therapy	Epacadostat	IDO1	Melanoma			
	Epacadostat	IDO1	NSCLC, renal, head & neck, bladder cancer ⁴			
	Epacadostat	IDO1	Multiple tumor types			
	INCB01158 ⁵	ARG	Solid tumors			
	INCSHR1210	PD-1	Solid tumors			
	INCAGN1876	GITR	Solid tumors			
INCAGN1949	OX40	Solid tumors				
Non-Onc	Topical ruxolitinib ⁶	JAK1/JAK2	AA, AtD, vitiligo			
Partnered	Olumiant® (baricitinib) ⁷	JAK1/JAK2	Rheumatoid arthritis			Europe
	Baricitinib ⁷	JAK1/JAK2	Psoriatic arthritis ⁴			
	Baricitinib ⁷	JAK1/JAK2	Atopic dermatitis, SLE			
	Capmatinib ⁸	c-MET	NSCLC, liver cancer			

1. Jakafi marketed by Incyte in the US; ruxolitinib licensed to Novartis ex-US 2. Patients with intermediate or high-risk myelofibrosis; Patients with polycythemia vera who have had an inadequate response to or are intolerant of hydroxyurea 3. European rights to Iclusig licensed from ARIAD 4. Pivotal trials expected to begin in 2017 5. Co-development with Calithera 6. AA = alopecia areata, AtD = atopic dermatitis 7. Worldwide rights to baricitinib licensed to Lilly; Approved as Olumiant in Europe, CRL from FDA in US; SLE = systemic lupus erythematosus 8. Worldwide rights to capmatinib licensed to Novartis

2015 Annual Report Portfolio

			DISCOVERY	CLINICAL PROOF OF CONCEPT	PIVOTAL	MARKETED
Targeted Therapy	Jakafi® (ruxolitinib) ¹	JAK1/JAK2	MF, PV ²			U.S.
	Ruxolitinib	JAK1/JAK2	GVHD			
	Itacitinib	JAK1	GVHD ⁴			
	Itacitinib	JAK1	NSCLC			
	INCB52793	JAK1	Advanced malignancies			
	INCB50465	PI3K	Hematological malignancies			
	INCB54828	FGFR1/2/3	Solid tumors			
	INCB54329	BRD	Advanced malignancies			
	INCB53914	PIM	Advanced malignancies			
	INCB59872	LSD1	AML, small cell lung cancer			
Immuno-Therapy	Epacadostat	IDO1	Melanoma			
	Epacadostat	IDO1	Multiple tumor types			
	INCSHR1210	PD-1	Solid tumors			
	INCAGN1876	GITR	Solid tumors			
	INCAGN1949	OX40	Solid tumors			
Non-Onc	Topical ruxolitinib ⁶	JAK1/JAK2	Alopecia areata			
Partnered	Baricitinib ⁷	JAK1/JAK2	Rheumatoid arthritis			
	Baricitinib ⁷	JAK1/JAK2	Psoriasis, AtD, SLE ⁴			
	Capmatinib ⁸	c-MET	NSCLC, liver cancer, GBM			

1. Jakafi marketed by Incyte in the US; ruxolitinib licensed to Novartis ex-US 2. Patients with intermediate or high-risk myelofibrosis; Patients with polycythemia vera who have had an inadequate response to or are intolerant of hydroxyurea 3. European rights to Iclusig licensed from ARIAD 4. Pivotal trials expected to begin in 2017 5. Co-development with Calithera 6. AA = alopecia areata, AtD = atopic dermatitis 7. Worldwide rights to baricitinib licensed to Lilly, SLE = systemic lupus erythematosus 8. Worldwide rights to capmatinib licensed to Novartis



TEAM

As we expand our portfolio with new and exciting product candidates and expand into new geographies, our team grows along with it. This chart shows our overall employee growth over the last ten years — Incyte has grown more than four-fold over the last decade as we seek the best talent from

both academia and industry to support our growing portfolio.

As we fulfill our mission to create innovative medicines, we are building the necessary platforms to enable global development of our product candidates and the organization needed to deliver them to patients in need.

In 2015, we established our first office outside of the U.S. in Geneva, Switzerland, and we expanded our presence in Europe less than a year later with the purchase of ARIAD's European business. This immediately expanded our number of European offices from one to nine offices, and provided us a financially efficient way to prepare for future approvals and drug launches in Europe.



STRENGTH

Our core strength lies in the collective experience and passion of our team and the financial strength to maintain our commitment to the creation of innovative medicines.

STRENGTH IN OUR TEAM

As we expand our discovery efforts, grow our clinical portfolio, and aim to launch new medicines for patients in need, our team is our greatest strength, and we seek only the best scientific talent. We pride ourselves in having a focused and cohesive unit in R&D.

“It is not enough just to be smart. We look to our colleagues to be as creative as they are critical in their thinking.”

— Wenqing Yao, Head of Discovery Chemistry, joined Incyte in 2001

Peg Squier, Head of US Medical Affairs, joined Incyte in 2016

“I first got to know Incyte through my work at Novartis. I was impressed by the quality of the science at Incyte, as well as the speed of execution in getting Jakafi approved. After more than a decade in the industry, you start to get a sense of which companies are on a positive path. With some terrific new senior leaders at the company, I knew if I had the opportunity to work for Incyte that I would take it. I’m so delighted to work here; I feel like we’re really moving the needle.”





Luca Marini, Head of European Medical Affairs, joined Incyte in 2016

"It is a pleasure to work where there is such a rich pipeline, and to work with true leaders who have real vision. At Incyte, we have a driven and collaborative team, many of whom have already worked together elsewhere. Unlike at larger more bureaucratic companies, we have the opportunity and the challenge of being decision-makers. I feel at home here, and I'm excited to be a part of the team."

FINANCIAL STRENGTH

We ended 2016 with approximately \$800 million cash and equivalents. To further strengthen our balance sheet, in February 2017, we successfully converted almost \$700 million of debt into Incyte shares.

In February 2017, Incyte joined the S&P 500 index, an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the New York Stock Exchange or NASDAQ. The commercial momentum of Jakafi also paves the way for our future endeavors. Jakafi provides us with strong revenue growth, which allows us to expand our team, further add to our geographic footprint, and reinvest in our portfolio. Dynamic revenue growth coupled with a strong balance sheet positions us well as we seek to build Incyte into a global biopharmaceutical company.

In the spring of 2017, Incyte was added to the S&P 500 Index.





CORPORATE RESPONSIBILITY

At Incyte, we are committed to enhancing the communities in which we operate, improving the treatment and experience of patients, supporting our colleagues, and protecting the environment.

COMMITMENT TO COMMUNITY

Incyte is committed to being an active participant in improving our community. **Incyte Involved** includes three initiatives focused on philanthropy as well as employee and community engagement. These include the Incyte Charitable Giving Foundation, the Community Service Program and the Matching Gifts Program.



The Incyte Charitable Giving Foundation was launched in 2016 as a way for us to give back by supporting charitable organizations specifically serving the needs of communities in Delaware. The Incyte Charitable Giving Foundation is focused on two areas—Oncology Patient Support and Resources and Helping People in Need. In 2016 alone, the Incyte Charitable Giving Foundation provided support to ten local organizations.

The **Community Service Program** allows employees to take paid time off in order to volunteer their time to their own communities. This year, employees donated 464 hours of their time, including with organizations such as Ronald McDonald House Delaware, Cancer Support Community, and the Boys & Girls Club.

In addition to supporting local charities, Incyte supports employees' efforts to help charities of their choice through matching donations. Incyte's **Matching Gifts Program** encourages employees to donate by matching 100% of the donation up to a pre-determined cap. In 2016, this program matched over \$100,000 given by our colleagues to their charities of choice.



The legal team at Incyte participated in the Incyte Involved Community Service Program by preparing food at the Ronald McDonald House in Delaware.

COMMITMENT TO PATIENTS

We are committed to positively impacting the lives of patients with cancer and other diseases. Our clinical research is held to the highest standards of scientific and ethical rigor and we strive to implement programs and initiatives to remove barriers to access for our medicines. We execute on this commitment through our rigorous discovery process, our adherence to all clinical trial standards set by the FDA and other global regulatory bodies, and our focus on data transparency through presentations of both positive and negative data at appropriate medical meetings.

Our IncyteCARES (Connecting to Access, Reimbursement, Education and Support) program strives to support patients before and during treatment with Jakafi through ongoing education, resources as well as a dedicated nursing support program. This comprehensive program also provides co-pay assistance or free drug to eligible patients to help cover some costs associated with their Jakafi prescription.



For more information, visit IncyteCares.com

The Voices of MPN website was launched by Incyte to help connect MPN patients to information, educational programs, and community activities. It also provides a forum for people to share stories and to promote disease awareness. Each year in partnership with CURE Magazine, Incyte sponsors the MPN Heroes program, which seeks to honor and celebrate individuals and organizations for their contributions in caregiving, community leadership, or scientific advances.



For more information, visit VoicesofMPN.com

COMMITMENT TO EMPLOYEES

Incyte is committed to ensuring our colleagues are happy and healthy. Incyte offers competitive compensation packages, including bonus potential as well as equity. Over the years, we have added numerous additional benefits to support employees in their professional as well as personal endeavors.

We encourage all employees to participate in continuing education through internal training classes as well as relevant external courses. Additional learning seminars are also offered on-site to employees, including nutrition and financial planning seminars.

Incyte is committed to the health of its employees. As such, a competitive benefits package is offered in addition to free flu shots, and more recently, access to free melanoma screenings. We recently introduced a program that offers patient support, which helps employees, spouses, domestic partners, children, parents, and parents-in-law with a variety of healthcare and insurance-related issues, including researching certain services, securing second opinions, and making more informed healthcare decisions. All team members, including part-time employees, are eligible for these benefits.

Furthermore, Incyte has introduced a nutrition-conscious program in its cafeterias, providing healthy breakfast, lunch, and snack options. Menu options that meet the standard for calories and quality ingredients are labeled as such to make sure employees are able to make more informed dietary choices while at work. We also offer office-based group fitness classes after work.

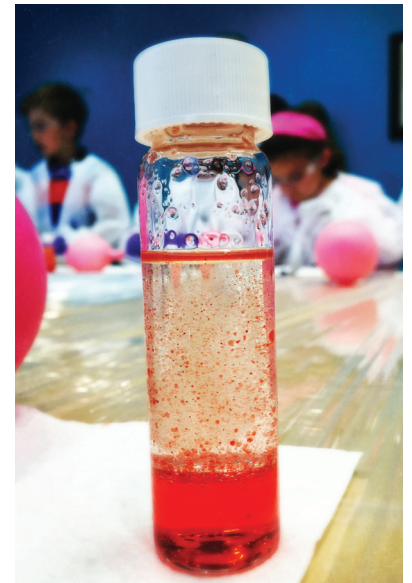
Once a year, Incyte hosts Take Your Child to Work Day. At this event, employees are encouraged to bring their children, nieces and nephews to Incyte Headquarters to learn about science and participate in experiments and activities.

Children who attended Take Your Child to Work Day last year created their own lava lamps with Incyte scientists.

COMMITMENT TO THE ENVIRONMENT

Incyte is committed to operate in a way that reduces its environmental impact. Programs such as the Air Emissions Program and the Green House Gas Reduction Program collect data in order to measure and reduce emissions. We manage all hazardous waste in compliance with EPA regulations. All hazardous waste is recycled, reused, fuel-blended or disposed of at an EPA approved disposal facility. In addition, all employees are encouraged to recycle, with clearly labeled sorting bins throughout the offices to separate waste from recycling. Non-recyclable waste is then converted into energy. In addition, Incyte has installed electric car charging units in its parking lots for employees to use during the work day.

Incyte is continuously looking to improve its environmental responsibility initiatives and aims to decrease its carbon footprint on an ongoing basis.



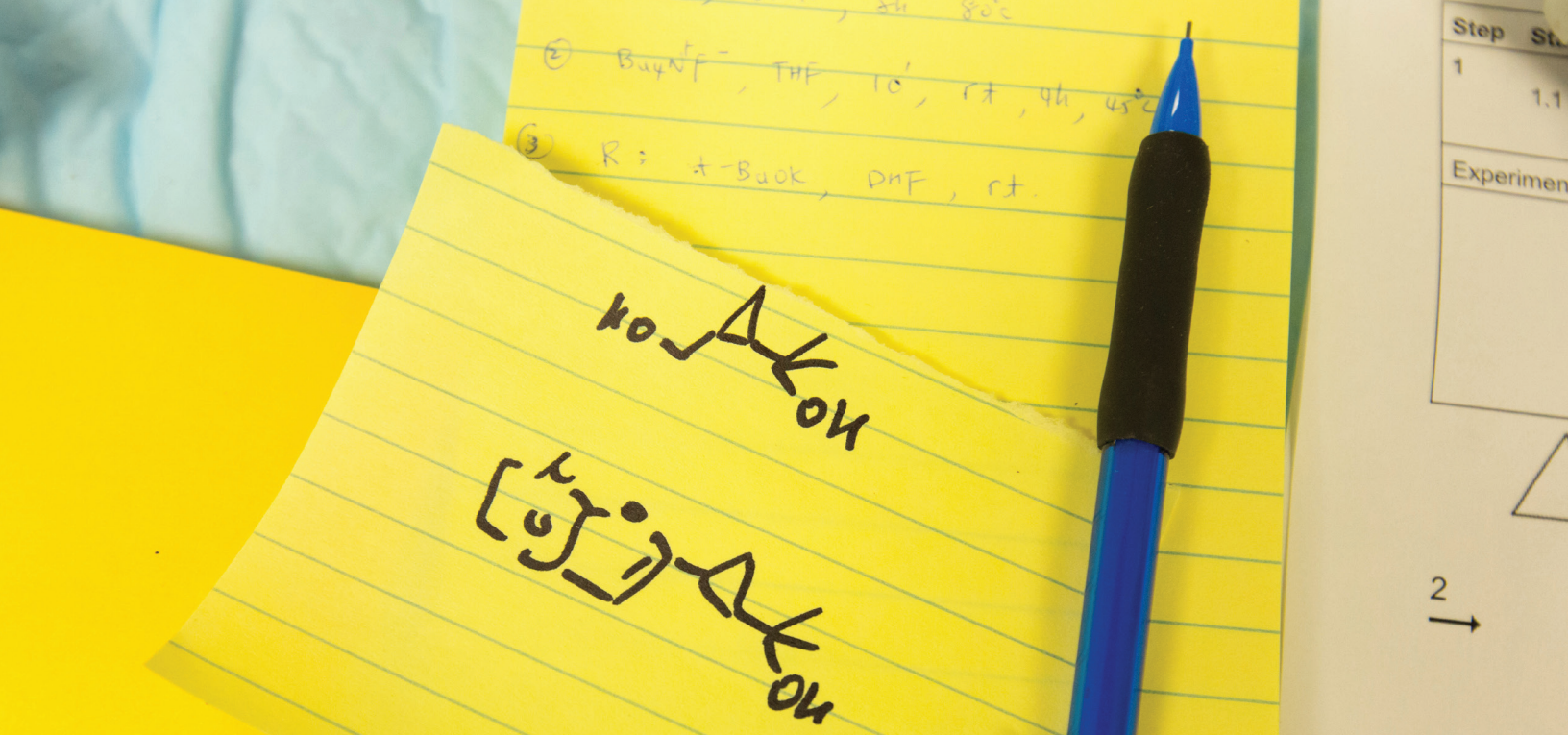
COMMITMENT TO COMPLIANCE AND TRANSPARENCY

We aim to make a difference—for patients, medical professionals, organizations, the broader healthcare community and all our global stakeholders. To achieve these goals, we are committed to conducting business ethically. We hold ourselves accountable to the highest standards to ensure that all of our interactions are conducted appropriately. We regularly review and amend our practices according to current laws and regulations, as well as both our own standards and the standards required of us by the communities in which we live and work.

For more details on our Corporate Governance guidelines, please visit <http://www.incyte.com/ir/corporate-governance.aspx>

Incyte is committed to the highest standard of business ethics. All new team members are required to read and acknowledge their commitment to comply with Incyte's Code of Business Conduct and Ethics, which serves as our roadmap for acting ethically whenever and wherever we conduct business and provides, among other things, that:

- We foster a respectful and safe workplace
- We conduct business ethically
- We operate honestly and transparently
- We act as a good corporate citizen



COMPANY INFORMATION

EXECUTIVE MANAGEMENT

Hervé Hoppenot
*Chairman, President, and
Chief Executive Officer*

Jonathan E. Dickinson
General Manager, Europe

Barry P. Flannelly, PharmD, MBA
General Manager, US

David W. Gryska
Chief Financial Officer

Reid M. Huber, PhD
Chief Scientific Officer

Vijay Iyengar, MD
*Head of Global Strategy and
Corporate Development*

Michael Morrissey
Head of Global Technical Operations

Eric H. Siegel, JD, MBA
General Counsel

Steven H. Stein, MD
Chief Medical Officer

Paula J. Swain
Head of Human Resources

Wenqing Yao, PhD
Head of Discovery Chemistry

BOARD OF DIRECTORS

Hervé Hoppenot
*Chairman, President and Chief
Executive Officer, Incyte Corporation*

Julian C. Baker
*Managing Partner, Baker Brothers
Investments*

Jean-Jacques Bienaimé
*Chief Executive Officer, BioMarin
Pharmaceutical Inc.*

Paul A. Brooke
*Managing Member of PMSV
Holdings, LLC*

Paul J. Clancy
Chief Financial Officer, Biogen Inc.

Wendy Dixon, PhD
*Former Chief Marketing Officer
and President, Global Marketing,
Bristol-Myers Squibb Company*

Paul A. Friedman, MD
*Chief Executive Officer and
Chairman of Madrigal
Pharmaceuticals, Inc.*

COMPANY INFORMATION

Corporate Headquarters

Incyte Corporation
1801 Augustine Cut-Off
Wilmington, Delaware 19803
855.446.2983

Transfer Agent and Registrar

Computershare
PO Box 43078
Providence, RI 02940-3078
or
250 Royall Street Canton, MA 02021
Phone: 877.272.1536
www.computershare.com/investor

TDD for Hearing Impaired:

800.231.5469

Foreign Shareowners:

201.680.6578

TDD Foreign Shareowners:

201.680.6610

Outside Counsel

Pillsbury Winthrop Shaw Pittman LLP

Independent Registered Public

Accounting Firm

Ernst & Young LLP

Market Information

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

Investor Relations

You can obtain recent press releases
and other publicly available infor-
mation on Incyte by visiting our
website at www.incyte.com.

Contact

Michael Booth, DPhil
Vice President, Investor Relations
Email: mbooth@incyte.com

Lauren Kwiecinski, MBA
Director, Investor Relations
Email: lkwiecinski@incyte.com

Annual Meeting

The Annual Meeting of
Stockholders will be held
May 26, 2017, at 9:00 a.m.,
Eastern Daylight Time, at
Incyte Corporation,
1801 Augustine Cut-Off,
Wilmington, Delaware 19803

Forward-Looking Statements

Except for the historical information set forth herein, the matters set forth in this annual report contain predictions, estimates and other forward-looking statements, including without limitation statements regarding: our ability to transform Incyte into a world-class global biopharmaceutical organization; whether we will be able to continue to grow revenue or maintain a ratio of revenue to R&D expense similar to historical ratios; whether we will achieve any of our planned goals for 2017, including without limitation the initiation of our new pivotal programs and the potential clinical data presentations; whether we will successfully expand in the Asia-Pacific region; expected patent protection of our assets, including without limitation Jakafi; the ability of our European infrastructure to maximize potential future product launches in Europe, if any; continued growth in sales and market share of Jakafi, including whether Jakafi will continue to be a revenue driver for us and whether opportunities for further development will be successful; whether baricitinib for RA will be approved in the U.S., whether and when Lilly will pursue possible next steps towards seeking or achieving approval in the U.S. for baricitinib for RA, whether baricitinib will ever be approved in the U.S. for any indication and whether development of baricitinib in other indications will be successful or will continue as currently planned; plans and expectations regarding our product pipeline and strategy - including timelines for advancing our drug candidates (including without limitation epacadostat, ruxolitinib and itacitinib) through clinical trials (including enrollment and commencement), whether certain trials will serve as the basis for registration, timelines for regulatory submissions and timelines for releasing trial data, and whether any specific program will be successful - and plans and expectations regarding development activities of our collaboration partners; whether we will realize the anticipated benefits of our collaborations; whether the plans and expectations regarding the Company's pipeline over the next 12 months will drive potential value; and the potential therapeutic and commercial value of our drug candidates.

These forward-looking statements are based on our current expectations and are subject to risks and uncertainties that may cause actual results to differ materially, including unanticipated developments in and risks related to: the efficacy or safety of our products; the acceptance of our products in the marketplace; market competition; further research and development; sales, marketing and distribution requirements; clinical trials, including pivotal trials, possibly being unsuccessful or insufficient to meet applicable regulatory standards for clinical advancement or approval or warrant continued development; the ability to enroll sufficient numbers of subjects in clinical trials; other market, economic or strategic factors and technological advances; unanticipated delays; our ability to compete against parties with greater financial or other resources; our dependence on our relationships with our collaboration partners; greater than expected expenses; expenses relating to litigation or strategic activities; our ability to obtain additional capital when needed; obtaining and maintaining effective patent coverage for our products; and other risks detailed from time to time in our reports filed with the Securities and Exchange Commission, including our Form 10-K for the year ended December 31, 2016, as amended. We disclaim any intent or obligation to update these forward-looking statements.

To download the Incyte Form 10-K visit www.incyte.com.



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Wilmington, Delaware 19803
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