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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): April 2, 2020

FATE THERAPEUTICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-36076**	**65-1311552**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

3535 General Atomics Court, Suite 200
San Diego, CA 92121
(Address of principal executive offices, including zip code)

(858) 875-1800
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.001 par value	FATE	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

Item 1.01 Entry into a Material Definitive Agreement

On April 2, 2020 (the "Effective Date"), Fate Therapeutics, Inc., a Delaware corporation (the "Company"), entered into a Collaboration and Option Agreement (the "Collaboration Agreement") with Janssen Biotech, Inc., a Pennsylvania corporation ("Janssen"), part of the Janssen Pharmaceutical Companies of Johnson & Johnson. Additionally, on the Effective Date, the Company entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") with Johnson & Johnson Innovation-JJDC, Inc. ("JJDC"), a New Jersey corporation.

Under the Collaboration Agreement, Janssen and the Company will collaborate to develop induced pluripotent stem cell (iPSC)-derived chimeric antigen receptor (CAR) NK and T-cell product candidates for the treatment of cancer. Janssen will contribute proprietary antigen binding domains directed to up to four (4) tumor-associated antigen targets (the "Janssen Cancer Targets"). The Company will research and construct iPSC-derived CAR NK and T-cell product candidates directed to each of the Janssen Cancer Targets (the "Collaboration Candidates") and perform preclinical development of Collaboration Candidates. Upon the Company's completion of activities sufficient to allow the filing of a U.S. Investigational New Drug application (IND) for a Collaboration Candidate, Janssen will have the right to exercise an exclusive option and obtain an exclusive license to the Company's intellectual property rights for the development and commercialization of such Collaboration Candidate. Upon the exercise of such exclusive option, Janssen will be solely responsible for the worldwide clinical development and commercialization of such Collaboration Candidate, and the Company will be primarily responsible for the manufacture, at Janssen's cost, of such Collaboration Candidate. For each Collaboration Candidate, upon attaining clinical proof-of-concept, the Company shall have the right to elect to co-commercialize and share equally in the profits and losses in the United States, subject to the Company sharing in certain development costs. The Collaboration Candidates do not include any product candidates that are currently under clinical or preclinical development by the Company or are otherwise part of the Company's current product pipeline.

Under the Stock Purchase Agreement, the Company has agreed to sell 1,612,904 shares of common stock (the "Shares") to JJDC at $31.00 per share, for an aggregate purchase price of approximately $50 million, on April 7, 2020 (the "SPA Closing"), subject to customary closing conditions. In addition, under the Stock Purchase Agreement, in the event the Company intends to consummate a registered underwritten public offering of its common stock within twelve (12) months after the SPA Closing, the Company has the right, but not the obligation, to require that JJDC purchase, in a concurrent private placement, an aggregate of $50 million in shares of the Company's common stock on the same terms and at a price equal to the price at which the shares are sold to the public in the underwritten public offering, subject to certain conditions. The Company has agreed to register the shares issued to JJDC under the Stock Purchase Agreement pursuant to a registration statement on Form S-3 within eighteen (18) months of the Effective Date and to grant JJDC certain piggyback registration rights in the event there is not an effective registration statement covering the resale of such shares thereafter.

Under the terms of the Collaboration Agreement and the Stock Purchase Agreement taken together, the Company is entitled to receive: (i) $100 million, of which $50 million is an upfront cash payment and $50 million is in the form of the equity investment by JJDC at the SPA Closing; (ii) full funding for all research, preclinical development and IND-enabling activities performed by the Company for Collaboration Candidates; (iii) with respect to the first Janssen Cancer Target, payments of up to $898 million upon the achievement of specified development, regulatory and sales milestones (the "Milestone Payments") for the first Collaboration Candidate, and up to $460 million in Milestone Payments for each additional Collaboration Candidate, directed to the first Janssen Cancer Target; and (iv) with respect to each of the second, third and fourth Janssen Cancer Targets, up to $706 million in Milestone Payments for each of the first Collaboration Candidates, and up to $340 million in Milestone Payments for each additional Collaboration Candidate, directed to the applicable Janssen Cancer Target, where certain Milestone Payments under (iii) and (iv) are subject to reduction in the event the Company elects to co-commercialize and share equally in the profits and losses in the United States of a respective Collaboration Candidate. The Company is further eligible to receive double-digit royalties ranging up to the mid-teens on net sales of Collaboration Candidates that are commercialized by Janssen under the Collaboration Agreement, subject to reduction under certain circumstances.

Janssen may terminate the Collaboration Agreement with respect to one or more Janssen Cancer Targets, or in its entirety, at any time on or after the second anniversary of the Effective Date, and the Company may terminate the Collaboration Agreement with respect to a particular Janssen Cancer Target if a Collaboration Candidate has not been selected for IND-enabling studies for such Janssen Cancer Target within specified time periods under certain conditions. The Collaboration Agreement contains customary provisions for termination by either party in the event of a material breach of the Collaboration Agreement, subject to cure, by the other party and in the event of any bankruptcy, insolvency or similar events with respect to the other party.

Item 3.02 Unregistered Sales of Equity Securities

The information in Item 1.01 above regarding the Stock Purchase Agreement and sale of the Shares thereunder is incorporated by reference in response to this Item 3.02 of Form 8-K.

The Shares are being sold in a private placement that is exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). The Shares have not been registered under the Securities Act or any state securities laws and may not be resold in the United States absent registration or an applicable exemption from registration requirements.

The foregoing description of the terms of the Collaboration Agreement and Stock Purchase Agreements does not purport to be complete and is qualified in its entirety by reference to the Collaboration Agreement and Stock Purchase Agreement, which the Company intends to file in redacted form with the Securities and Exchange Commission as exhibits to its Quarterly Report on Form 10-Q for the quarter ending June 30, 2020.

Item 7.01 Regulation FD Disclosure.

On April 2, 2020, the Company issued a press release announcing entry into the Collaboration Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 7.01 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act") or otherwise subject to the liability of that section, nor shall such information be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, regardless of the general incorporation language of such filing, except as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

On April 2, 2020, the Company issued a press release titled, "Fate Therapeutics Announces First Patient Treated in First-in-human Clinical Trial of FT596 and Provides Corporate Update." A copy of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

In addition, the Company is supplementing the risk factors previously disclosed in its Annual Report on Form 10-K for the year ended December 31, 2019 with the addition of the following risk factor under the subsection "Risks Related to Our Business and Industry":

The outbreak of the novel strain of coronavirus, SARS-CoV-2, which causes COVID-19, could adversely impact our business, including our clinical trials and preclinical studies.

The outbreak of the novel coronavirus, SARS-CoV-2, which causes coronavirus disease 2019 (COVID-19), has evolved into a global pandemic. The coronavirus has spread to many regions of the world, including the United States and Europe. As a result of the coronavirus pandemic, we may experience disruptions that could materially impact our business. The extent to which the coronavirus impacts our business and operating results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others.

As a result of the COVID-19 pandemic, various aspects of our business operations have been, and could continue to be, disrupted. In response to the pandemic, we have implemented a work from home policy, with our administrative employees continuing their work outside of our offices, and restricted on-site staff to only those required to execute certain laboratory, manufacturing and related support activities. The increase in working remotely could increase our cyber security risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business operations or delay necessary interactions with local and federal regulators, ethics committees, manufacturing sites, and clinical trial sites. In addition, as a result of shelter-in-place orders or other mandated travel restrictions, our on-site staff conducting research and development, preclinical studies, and manufacturing activities may not be able to access our laboratories or manufacturing space, and these core activities may be significantly limited or curtailed, possibly for an extended period of time.

In addition, our ongoing and planned clinical trials have been and will likely continue to be affected by the pandemic. Study procedures (particularly any procedures that may be deemed non-essential), site initiation, participant recruitment and enrollment, participant dosing, shipment of our product candidates, distribution of clinical trial materials, study monitoring, site inspections and data analysis may be paused or delayed due to changes in hospital or research institution policies, federal, state or local regulations, prioritization of hospital and other medical resources toward pandemic efforts, or other reasons related to the pandemic. If the coronavirus continues to spread, some participants and clinical investigators may not be able to comply with clinical trial protocols. For example, quarantines or other travel limitations (whether voluntary or required) may impede participant movement, affect access to study sites, or interrupt healthcare services, and we may be unable to conduct our clinical trials. Furthermore, the pandemic could result in interruption or delays in the operations of the U.S. Food and Drug Administration and other regulatory agencies. The extent and impact of such disruptions are currently unpredictable. Any prolongation or de-prioritization of our clinical trials or delay in regulatory review resulting from such disruptions could materially affect the development and study of our product candidates.

Our research, preclinical development, and manufacturing operations also may be adversely impacted by the COVID-19 pandemic. We currently utilize third parties to, among other things, supply and manufacture raw materials, components, consumables, and our product candidates, to ship our product candidates and manufacturing materials, and to perform certain testing relating to our product candidates. We also manufacture our product candidates and perform various related testing at our manufacturing facility, and conduct research and development activities. If we, or any third parties in our supply chain for materials which are used in either the manufacture of our product candidates or the conduct of our research and development, are adversely impacted by restrictions resulting from the coronavirus outbreak, our supply chain may be disrupted and our ability to manufacture and ship our product candidates for our clinical trials and to conduct research and development activities may be limited.

In addition, the trading prices for our common stock and other biopharmaceutical companies have been highly volatile as a result of the COVID-19 pandemic. As a result, we may face difficulties raising capital through equity or debt financings, or such financing transactions may be on unfavorable terms. While the potential economic impact brought by and the duration of the pandemic may be difficult to assess or predict, it has already caused, and is likely to result in further, significant disruption of global financial markets, which may reduce our ability to access capital either at all or on favorable terms. In addition, a recession, depression or other sustained adverse market event resulting from the spread of COVID-19 could materially and adversely affect our business and the value of our common stock.

The ultimate impact of the current pandemic, or any other health epidemic, is highly uncertain and subject to change. We do not yet know the full extent of potential delays or impacts on our business, our clinical and preclinical programs, our clinical, preclinical, research, manufacturing, and regulatory activities, healthcare systems or the global economy as a whole. However, these effects could have a material adverse impact on our operations, and we will continue to monitor the situation closely.

Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 including statements regarding the expected benefits of the Collaboration Agreement, the Company's expectations regarding future potential milestone and royalty payments under the Collaboration Agreement, the objectives, plans and goals of the collaboration, the parties' rights and obligations under the Collaboration Agreement, the anticipated closing of the purchase and sale of shares of the Company's Common Stock under the Stock Purchase Agreement, potential impacts of the coronavirus pandemic on the Company's business and operations such as delays in regulatory review, manufacturing and supply chain interruptions, adverse effects on healthcare systems and disruption of the global economy, the timing of enrollment in its clinical trials; delays or disruptions in clinical trials, preclinical studies, manufacturing, and other research and development activities; and the overall impact of the coronavirus pandemic on the Company's business, financial condition and results of operations. For a discussion of other risks and uncertainties, and other important factors, any of which could cause the Company's actual results to differ from those contained in the forward-looking statements, see the risks and uncertainties detailed in the Company's periodic filings with the Securities and Exchange Commission, including but not limited to the Company's most recently filed periodic report, and from time to time in the Company's press releases and other investor communications. The Company is providing the information in this release as of this date and does not undertake any obligation to update any forward-looking statements contained in this release as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated April 2, 2020.
99.2	Press Release, dated April 2, 2020.

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 hereunto duly authorized.

Date: April 2, 2020

FATE THERAPEUTICS, INC.

By: /s/ J. Scott Wolchko
J. Scott Wolchko
President and Chief Executive Officer

Exhibit 99.1

Fate Therapeutics Announces Worldwide Collaboration with Janssen for Novel iPSC-derived Cell-based Cancer Immunotherapies

- *Collaboration leverages Company's iPSC product platform and Janssen's proprietary tumor-targeting antigen binders to create novel CAR NK and CAR T-Cell product candidates*
- *Fate to receive $50 million upfront payment and $50 million equity investment, plus full funding for the research and development of collaboration candidates through IND filing*
- *Collaboration candidates to be developed against up to four tumor-associated antigens for hematologic malignancies and solid tumors*
- *Fate eligible to receive payments of up to $1.8 billion in development and regulatory milestones and up to $1.2 billion in commercial milestone payments, plus double-digit royalties*

San Diego, CA – **April 2, 2020** – Fate Therapeutics, Inc. (NASDAQ: FATE), a clinical-stage biopharmaceutical company dedicated to the development of programmed cellular immunotherapies for cancer and immune disorders, announced today a global collaboration and option agreement with Janssen Biotech, Inc. (Janssen), one of the Janssen Pharmaceutical Companies of Johnson & Johnson.

Under the multi-year collaboration agreement, Janssen will contribute proprietary antigen binding domains for up to four tumor-associated antigen targets. The Company will apply its iPSC product platform to research and preclinically develop new iPSC-derived chimeric antigen receptor (CAR) NK and CAR T-cell product candidates. The Company will receive $50 million in cash and $50 million from the purchase by Johnson & Johnson Innovation – JJDC, Inc. of newly issued shares of the Company's common stock at a price per share of $31.00. Janssen will also reimburse the Company for all activities conducted under the collaboration.

"We are delighted to enter this strategic collaboration, which brings together Janssen's scientific and global commercialization leadership, deep domain expertise in oncology and proprietary technologies for targeting and binding certain tumors and our industry-leading iPSC product platform to develop novel off-the-shelf CAR NK and T-cell cancer immunotherapies," said Scott Wolchko, President and Chief Executive Officer of Fate Therapeutics. "The collaboration strengthens our financial and operating position through a focused effort of developing cell-based cancer immunotherapies utilizing Janssen's proprietary antigen binding domains, while enabling us to continue to exploit our deep pipeline of wholly-owned product candidates and further develop our off-the-shelf, iPSC-derived cell-based immunotherapies."

The Company will advance candidates under the collaboration to the filing of an Investigational New Drug (IND) application, after which Janssen will have the right to exercise its option for an exclusive license for the development and commercialization of collaboration candidates targeting the tumor-associated antigens. The Company will be primarily responsible for the manufacture of collaboration candidates, the cost of which will be paid for by Janssen. The Company is eligible to receive payments of up to $1.8 billion upon the achievement of development and regulatory milestones and up to $1.2 billion upon the achievement of commercial milestones, plus double-digit royalties on worldwide commercial sales of products targeting the antigens. In addition, the Company has the right to elect to co-commercialize each collaboration candidate in the U.S. and share equally in profits and losses in the U.S., subject to its payment of certain clinical development costs and adjustments in milestone and royalty payments.

About Fate Therapeutics' iPSC Product Platform

The Company's proprietary induced pluripotent stem cell (iPSC) product platform enables mass production of off-the-shelf, engineered, homogeneous cell products that can be administered with multiple doses to deliver more effective pharmacologic activity, including in combination with cycles of other cancer treatments. Human iPSCs possess the unique dual properties of unlimited self-renewal and differentiation potential into all cell types of the body. The Company's first-of-kind approach involves engineering human iPSCs in a one-time genetic modification event and selecting a single engineered iPSC for maintenance as a clonal master iPSC line. Analogous to master cell lines used to manufacture biopharmaceutical drug products such as monoclonal antibodies, clonal master iPSC lines are a renewable source for manufacturing cell therapy products which are well-defined and uniform in composition, can be mass produced at significant scale in a cost-effective manner, and can be delivered off-the-shelf for patient treatment. As a result, the Company's platform is uniquely capable of overcoming numerous limitations associated with the production of cell therapies using patient- or donor-sourced cells, which is logistically complex and expensive and is subject to batch-to-batch and cell-to-cell variability that can affect clinical safety and efficacy. Fate Therapeutics' iPSC product platform is supported by an intellectual property portfolio of over 250 issued patents and 150 pending patent applications.

About Fate Therapeutics, Inc.

Fate Therapeutics is a clinical-stage biopharmaceutical company dedicated to the development of first-in-class cellular immunotherapies for cancer and immune disorders. The Company has established a leadership position in the clinical development and manufacture of universal, off-the-shelf cell products using its proprietary induced pluripotent stem cell (iPSC) product platform. The Company's immuno-oncology product candidates include natural killer (NK) cell and T-cell cancer immunotherapies, which are designed to synergize with well-established cancer therapies, including immune checkpoint inhibitors and monoclonal antibodies, and to target tumor-associated antigens with chimeric antigen receptors (CARs). The Company's immuno-regulatory product candidates include ProTmune™, a pharmacologically modulated, donor cell graft that is currently being evaluated in a Phase 2 clinical trial for the prevention of graft-versus-host disease, and a myeloid-derived suppressor cell immunotherapy for promoting immune tolerance in patients with immune disorders. Fate Therapeutics is headquartered in San Diego, CA. For more information, please visit www.fatetherapeutics.com.

Forward-Looking Statements
This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 including statements relating to the expected benefits of the Company's collaboration with Janssen, the Company's expectations regarding future potential milestone and royalty payments under the collaboration, the objectives, plans and goals of the collaboration, the parties' rights and obligations under the collaboration, and the safety and therapeutic potential of the Company's iPSC product platform. These and any other forward-looking statements in this release are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risk that the Company may not comply with its obligations under and otherwise maintain its collaboration agreement with Janssen on the agreed upon terms, the risk that the Company may cease or delay planned development and clinical trials of any of its product candidates for a variety of reasons (including any delay in the Company's ability to conduct and complete preclinical studies and to enroll patients in current and planned clinical trials, requirements that may be imposed by regulatory authorities on the conduct of clinical trials or to support regulatory approval, difficulties in manufacturing or supplying the Company's product candidates for clinical testing, or the occurrence of any adverse events or other negative results that may be observed during development), the risk that Janssen or the Company may terminate the collaboration agreement for a variety of reasons, the risk that results observed in preclinical studies of its product candidates may not be replicated in ongoing or future clinical trials or studies, and the risk that its product candidates may not produce therapeutic benefits or may cause other unanticipated adverse effects. For a discussion of other risks and uncertainties, and other important factors, any of which could cause the Company's actual results to differ from those contained in the forward-looking statements, see the risks and uncertainties detailed in the Company's periodic filings with the Securities and Exchange Commission, including but not limited to the Company's most recently filed periodic report, and from time to time in the Company's press releases and other investor communications. Fate Therapeutics is providing the information in this release as of this date and does not undertake any obligation to update any forward-looking statements contained in this release as a result of new information, future events or otherwise.

Contact:
Christina Tartaglia
Stern Investor Relations, Inc.
212.362.1200
christina@sternir.com

Exhibit 99.2

Fate Therapeutics Announces First Patient Treated in First-in-human Clinical Trial of FT596 and Provides Corporate Update

San Diego, CA – **April 2, 2020** – Fate Therapeutics, Inc. (NASDAQ: FATE), a clinical-stage biopharmaceutical company dedicated to the development of programmed cellular immunotherapies for cancer and immune disorders, today announced that the first patient has been treated in the Company's first-in-human Phase 1 clinical trial evaluating FT596, the first cell therapy product candidate engineered with three active anti-tumor modalities, in patients with B-cell malignancies and chronic lymphocytic leukemia. FT596 is an off-the-shelf chimeric antigen receptor (CAR) natural killer (NK) cell cancer immunotherapy derived from a clonal master induced pluripotent stem cell (iPSC) line engineered to express a proprietary CD19-targeting CAR, a novel high-affinity 158V, non-cleavable CD16 (hnCD16) Fc receptor, and a unique interleukin-15 receptor fusion (IL-15RF). The hnCD16 Fc receptor enables coincident targeting of additional tumor-associated antigens expressed on cancer cells to overcome antigen escape, and IL-15RF is a potent cytokine complex that promotes survival, proliferation and trans-activation of NK cells and CD8 T cells without the need for systemic cytokine support.

"We are pleased to have worked with the Masonic Cancer Center, University of Minnesota to treat the first patient with FT596," said Scott Wolchko, President and Chief Executive Officer of Fate Therapeutics. "The COVID-19 pandemic presents unprecedented challenges for clinical trial conduct worldwide, and we anticipate there will be delays across our studies. We are committed to the health and safety of our employees and partners, and have implemented a remote work program to the greatest extent possible while continuing certain activities that can only be completed on-site. We are also working closely with our clinical sites and principal investigators so that we are well positioned to accelerate clinical trial execution when pressures on the health system ease."

In response to the global COVID-19 pandemic, the Company is providing a business update on the conduct of its operations.

- The Company has taken steps in line with guidance from the U.S. Centers for Disease Control and Prevention (CDC) and the State of California to protect the health and safety of its employees and the community. In particular, the Company has implemented a work from home policy, and restricted on-site activities to certain manufacturing, laboratory and related support activities. The Company is continuing to assess the impact of COVID-19 pandemic to best mitigate risk and continue the operations of its business.
- The Company is working closely with its clinical sites, physician partners and the patient community to monitor the potential impact of the evolving COVID-19 pandemic. The Company remains committed to its clinical programs and development plans, but expects that the timelines of its ongoing clinical trials will be impacted including by potential delays or disruptions in patient enrollment and site initiation.

- The Company continues to engage the U.S. Food and Drug Administration (FDA), and remains on-track to submit Investigational New Drug applications to the FDA for FT538, the Company's off-the-shelf, iPSC-derived NK cell product candidate for multiple myeloma, and for FT819, the Company's first off-the-shelf, iPSC-derived CAR T-cell product candidate for B-cell malignancies, in the second quarter of 2020.

About Fate Therapeutics' iPSC Product Platform
The Company's proprietary induced pluripotent stem cell (iPSC) product platform enables mass production of off-the-shelf, engineered, homogeneous cell products that can be administered with multiple doses to deliver more effective pharmacologic activity, including in combination with cycles of other cancer treatments. Human iPSCs possess the unique dual properties of unlimited self-renewal and differentiation potential into all cell types of the body. The Company's first-of-kind approach involves engineering human iPSCs in a one-time genetic modification event and selecting a single engineered iPSC for maintenance as a clonal master iPSC line. Analogous to master cell lines used to manufacture biopharmaceutical drug products such as monoclonal antibodies, clonal master iPSC lines are a renewable source for manufacturing cell therapy products which are well-defined and uniform in composition, can be mass produced at significant scale in a cost-effective manner, and can be delivered off-the-shelf for patient treatment. As a result, the Company's platform is uniquely capable of overcoming numerous limitations associated with the production of cell therapies using patient- or donor-sourced cells, which is logistically complex and expensive and is subject to batch-to-batch and cell-to-cell variability that can affect clinical safety and efficacy. Fate Therapeutics' iPSC product platform is supported by an intellectual property portfolio of over 300 issued patents and 150 pending patent applications.

About FT596
FT596 is an investigational, universal, off-the-shelf natural killer (NK) cell cancer immunotherapy derived from a clonal master induced pluripotent stem cell (iPSC) line engineered with three anti-tumor functional modalities: a proprietary chimeric antigen receptor (CAR) optimized for NK cell biology, which contains a NKG2D transmembrane domain, a 2B4 co-stimulatory domain and a CD3-zeta signaling domain, that targets B-cell antigen CD19; a novel high-affinity 158V, non-cleavable CD16 (hnCD16) Fc receptor, which has been modified to prevent its down-regulation and to enhance its binding to tumor-targeting antibodies; and an IL-15 receptor fusion (IL-15RF) that promotes enhanced NK cell activity. In preclinical studies of FT596, the Company has demonstrated that dual activation of the CAR19 and hnCD16 targeting receptors, in combination with IL-15RF signaling, convey synergistic anti-tumor activity. Increased degranulation and cytokine release were observed upon dual receptor activation in lymphoma cancer cells as compared to activation of each receptor alone, indicating that multi-antigen engagement may elicit a deeper and more durable response. Additionally, in a humanized mouse model of lymphoma, FT596 in combination with the anti-CD20 monoclonal antibody rituximab showed enhanced killing of tumor cells *in vivo* as compared to rituximab alone. FT596 is being investigated in an open-label Phase 1 clinical trial as a monotherapy, and in combination with rituximab, for the treatment of advanced B-cell lymphoma and in combination with obinutuzumab for the treatment of chronic lymphocytic leukemia (NCT04245722).

About Fate Therapeutics, Inc.
Fate Therapeutics is a clinical-stage biopharmaceutical company dedicated to the development of first-in-class cellular immunotherapies for cancer and immune disorders. The Company has established a leadership position in the clinical development and manufacture of universal, off-the-shelf cell products using its proprietary induced pluripotent stem cell (iPSC) product platform. The Company's immuno-oncology product candidates include natural killer (NK) cell and T-cell cancer immunotherapies, which are designed to synergize with well-established cancer therapies, including immune checkpoint inhibitors and monoclonal antibodies, and to target tumor-associated antigens with chimeric antigen receptors (CARs). The Company's immuno-regulatory product candidates include ProTmune™, a pharmacologically modulated, donor cell graft that is currently being evaluated in a Phase 2 clinical trial for the prevention of graft-versus-host disease, and a myeloid-derived suppressor cell immunotherapy for promoting immune tolerance in patients with immune disorders. Fate Therapeutics is headquartered in San Diego, CA. For more information, please visit www.fatetherapeutics.com.

Forward-Looking Statements
This release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 including statements regarding the therapeutic and market potential of the Company's product candidates and iPSC product platform, the advancement of and plans related to the Company's product candidates, clinical studies and preclinical research and development programs, the Company's progress, plans and timelines for conduct of the Company's Phase 1 clinical trials of its product candidates, plans and timelines for submitting INDs for its product candidates, and the Company's plans and expectations in light of and in response to the COVID-19 pandemic and its impacts on the healthcare system and the Company's business. These and any other forward-looking statements in this release are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the risk that the disruptions to the Company's business and the healthcare system as a result of the COVID-19 pandemic may be more severe than are anticipated, the risk that results observed in prior studies of the Company's product candidates, including preclinical studies and clinical trials, will not be observed in ongoing or future studies involving these product candidates, the risk of a delay or difficulties in the manufacturing of the Company's product candidates or in the initiation of, or enrollment of patients in, any clinical studies, the risk that the Company may cease or delay preclinical or clinical development of any of its product candidates for a variety of reasons (including disruptions to the Company's or third parties' operations as a result of the COVID-19 pandemic, requirements that may be imposed by regulatory authorities on the initiation or conduct of clinical trials or to support regulatory approval, difficulties or delays in patient enrollment in current and planned clinical trials, difficulties in manufacturing or supplying the Company's product candidates for clinical testing, and any adverse events or other negative results that may be observed during preclinical or clinical development), and the risk that the Company's expenditures may exceed current expectations for a variety of reasons. For a discussion of other risks and uncertainties, and other important factors, any of which could cause the Company's actual results to differ from those contained in the forward-looking statements, see the risks and uncertainties detailed in the Company's periodic filings with the Securities and Exchange Commission, including but not limited to the Company's most recently filed periodic report, and from time to time in the Company's press releases and other

investor communications. Fate Therapeutics is providing the information in this release as of this date and does not undertake any obligation to update any forward-looking statements contained in this release as a result of new information, future events or otherwise.

Contact:
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