



November 16, 2009

Fate Therapeutics Closes \$30 Million Series B Financing

Led by OVP Venture Partners and Includes Syndicate of Corporate Investors

La Jolla, CA – Fate Therapeutics, Inc. announced today that it has completed a \$30 million Series B financing led by OVP Venture Partners. Joining OVP Venture Partners in the financing is a syndicate of corporate investors, including Astellas Venture Management, Genzyme Ventures and a third undisclosed corporate investor. The three co-leaders of the Company's Series A financing, ARCH Venture Partners, Polaris Venture Partners and Venrock, also participated in the latest round of financing. In conjunction with the funding, Carl Weissman, managing director at OVP Venture Partners, joined the Company's board of directors.

"Fate Therapeutics has made rapid progress in advancing its pipeline of Stem Cell Modulators and in establishing the leading industrialized platform for induced pluripotent stem cell technology," said Mr. Weissman. "We are confident that the Company's management team and its scientists will continue to identify novel mechanisms to selectively intervene in adult stem cell biology for medicine, and we believe its expert knowledge, innovative approach and advanced technologies in modulating cell fate can be leveraged across a broad therapeutic spectrum of drug discovery and development opportunities."

"The leadership of OVP, the continued support of our top-tier existing investors, and the breadth of drug development and commercialization expertise of our corporate investor syndicate creates a powerful foundation for the expansion of our stem cell biology discovery engine," said Paul Grayson, president and CEO of Fate Therapeutics. "Target populations of adult stem cells must be exquisitely characterized and quantitated, and we are employing genomic, proteomic and epigenetic expression technologies to identify cell-specific biological mechanisms to modulate cell fate for diseases that currently have limited to no treatment options."

Fate Therapeutics is developing its lead Stem Cell Modulator, FT1050, to enhance hematopoietic stem cell (HSC) proliferation and homing. The small molecule is currently undergoing clinical testing at the Dana Farber Cancer Institute and Massachusetts General Hospital in adult patients with hematologic malignancies, such as leukemia and lymphoma, who have undergone nonmyeloablative conditioning therapy and are in need of HSC support. The Phase 1b study is intended to determine the safety and tolerability of introducing FT1050 during the standard course of dual umbilical cord blood transplant and will also track HSC engraftment efficiencies and patient outcomes.

The Company's discovery engine utilizes the most advanced reprogramming technologies for generating cell types of interest to elucidate disease biology and identify targets for therapeutic intervention. Fate Therapeutics' protein-based reprogramming platform in combination with its novel small molecule conditions offers a highly efficient, non-viral, non-DNA based method to recapitulate human physiology for commercial scale drug discovery and therapeutic use. The Company has exclusively licensed from The Scripps Research Institute and the Whitehead Institute for Biomedical Research an intellectual property portfolio related to induced pluripotent stem cell (iPSC) technology, including filings that date back to November 2003. This portfolio includes the latest techniques published by Dr. Sheng Ding in October 2009, which use three small molecules to generate iPSCs in a manner that is 200 times more efficient than and twice as fast as conventional methods for reprogramming adult human cells.

"The Company is well-positioned to aggressively advance its leading iPSC technology platform for use in its own internal discovery programs as well as with strategic partners," said Scott Wolchko, chief financial officer of Fate Therapeutics. "With this Series B financing, we have raised the necessary funds to build on the pioneering research and foundational intellectual property of our scientific founders for human cell reprogramming and to enable the commercialization of our pharmaceutical grade iPSC technology."

About OVP Venture Partners

For 26 years, OVP Venture Partners has led the drive into new, high-growth technology markets in the Pacific Northwest. OVP makes early stage investments in cleantech, digital biology and information technology. The firms' record of 52 liquidity events – including 22 IPOs – leads the region. OVP has over \$750 million in capital under management and is currently investing its seventh fund. The firm has offices in Seattle, WA and Portland, OR. More information on the partnership is available at www.ovp.com.