Fate Therapeutics
Guiding cells to improve life

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Fate Therapeutics Announces Collaboration with BD to Develop and Commercialize Induced Pluripotent Stem Cell Technology

San Diego, CA and Ottawa, Canada (October 14, 2010) – Fate Therapeutics, Inc. has forged a collaboration and license agreement with BD (Becton, Dickinson and Company), a leading global medical technology company, through its BD Biosciences segment, for the joint development and worldwide commercialization of induced pluripotent stem cell (iPSC) tools and technologies for drug discovery and development. Under the three year collaboration, Fate and BD will endeavor to co-develop certain stem cell products using Fate's award-winning iPSC technology platform, and BD will commercialize these stem cell products on a worldwide basis. The goal of the collaboration is to provide life science researchers and the pharmaceutical community with reliable access to advanced iPSC tools and technologies for use in human disease research, drug discovery and development, and the manufacture of cell-based therapies.

"BD has a rich history in bringing innovative products to market, and in supporting those high quality products on a worldwide basis with superior technical resources," said Paul Grayson, president & chief executive officer of Fate Therapeutics. "Through our collaboration, Fate and BD will deliver on the critical need for a broadly accessible, industry-standard suite of iPSC tools and technologies for both life sciences research and commercial scale drug discovery and development. Furthermore, this collaboration allows Fate additional resources and focus on our primary mission of discovering and developing modulators of stem cell function to treat unmet medical needs."

Fate's iPSC technology platform was honored as the Top Technology of 2009 by The Scientist and received the 2009 North American Technology Innovation Award from Frost & Sullivan. Under the terms of the agreement, which includes exclusive licenses to certain pioneering inventions of Rudolf Jaenisch, M.D., founding member of the Whitehead Institute for Biomedical Research and scientific founder of Fate Therapeutics, and of Sheng Ding, Ph.D., associate professor at The Scripps Research Institute and a scientific founder of Fate Therapeutics, Fate and BD will tap Fate's award-winning platform of industrialized pluripotent stem cell technology. The collaboration includes a license to U.S. Patent No. 7,682,828 entitled "Methods for Reprogramming Somatic Cells", which is believed to be the earliest art that describes broad methods and key agents to reprogram human somatic cells to a pluripotent state. Fate will receive an upfront payment, research funding, commercialization milestones and royalties on the sale by BD of co-developed products. Fate and BD expect that the products developed under the collaboration will serve as powerful tools for discovering new medical treatments and bridging the gap between the laboratory and the clinic.

"Under our collaboration with BD, we will continue to invest in, and advance, our leadership position across the spectrum of applications for iPSC technology," said Scott Wolchko, chief financial officer of Fate Therapeutics. "This partnership lends significant leverage and synergy to our therapeutic discovery platform as we deploy our iPSC technology to create large quantities of rare cell populations for the discovery of novel small molecules and biologics that can modulate the body's own adult stem cells to treat disease and restore health."

About iPSC Technology

iPSC technology is a revolutionary scientific breakthrough, representing a new way to create stem cells without relying on embryos. Because iPSCs can be created from any adult somatic cell (such as a skin cell) and have been shown to behave similarly to embryonic stem cells in their ability to differentiate into various cell types (such as cardiomyocytes, hepatocytes, neurons and pancreatic cells), iPSC technology has significant commercial and medical value. For example, iPSCs can be used to assess drug toxicity across diverse genetic backgrounds, enable the development of disease model systems for basic research and drug discovery and may ultimately result in personalized cell therapies. The discovery of how to create iPSCs represents one of the most promising and rapidly advancing technologies in medical research and drug discovery, and has great potential to create new and better medicines for patients in need.