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Fate Therapeutics Announces Issuance of U.S. Patent on Compositions of Human Induced Pluripotent Cells

Key Patent Covers Renewable Pluripotent Cell Source for Development of Off-the-Shelf NK- and T-Cell Immunotherapies

SAN DIEGO, July 26, 2016 (GLOBE NEWSWIRE) -- Fate Therapeutics, Inc. (NASDAQ:FATE), a biopharmaceutical company dedicated to the development of programmed cellular immunotherapies for cancer and immune disorders, announced today that the U.S. Patent and Trademark Office issued U.S. Patent No. 9,382,515 covering preparations of human induced pluripotent cells. This newly-issued patent adds to the significant intellectual property portfolio of over 60 issued patents and 90 pending applications, which are owned or exclusively licensed by Fate Therapeutics, covering compositions and methods critical for deriving, engineering, maintaining and differentiating induced pluripotent cells.

The compositions protected by the patent cover induced pluripotent cells that do not contain a polynucleotide encoding *c-MYC*. The *MYC* family of transcription factors are proto-oncogenes implicated in tumor growth. The expression of *c-MYC* was previously considered to be indispensable for the generation of human induced pluripotent cells.

"We believe that human pluripotent-derived cell therapy products will be highly disruptive, and the elimination of oncogenes in pluripotency induction is critical to ensure clinical safety," said Scott Wolchko, President and Chief Executive Officer of Fate Therapeutics. "Additionally, intellectual property covering compositions of isolated induced pluripotent cells is foundational to any therapeutic strategy seeking to engineer and bank renewable pluripotent cell lines for use in manufacturing off-the-shelf cell products."

With a comprehensive intellectual property portfolio and nearly a decade of research and development expertise in pluripotent cell biology, Fate Therapeutics is advancing a disruptive cancer immunotherapy platform to efficiently derive homogeneous populations of effector cells, including NK-cells and T-cells. The Company uses its proprietary pluripotent cell platform to generate precisely-engineered pluripotent cell lines, which possess the unique dual properties of unlimited self-renewal and differentiation potential into all cell types of the body. Through small molecule-guided differentiation, these engineered pluripotent cell lines enable manufacture of off-the-shelf immune cells with enhanced effector properties, such as persistence, tumor targeting, resistance to tumor suppression and histocompatibility.

The U.S. patent is owned by the Whitehead Institute for Biomedical Research and licensed exclusively to Fate Therapeutics for all therapeutic purposes. The first named inventor of the patent is Rudolf Jaenisch, M.D., a scientific founder of Fate Therapeutics. Dr. Jaenisch is a Professor of Biology at the Massachusetts Institute of Technology, a founding member of the Whitehead Institute for Biomedical Research, and a member of the National Academy of Sciences. He recognized the potential safety concern of *c-MYC* overexpression and reactivation, and demonstrated that human somatic cells can be reprogrammed to a pluripotent state in its absence.

About Fate Therapeutics, Inc.
Fate Therapeutics is a biopharmaceutical company dedicated to the development of programmed cellular immunotherapies for cancer and immune disorders. The Company's cell therapy pipeline is comprised of immuno-oncology programs, including off-the-shelf NK- and T-cell cancer immunotherapies derived from engineered induced pluripotent cells, and immuno-regulatory programs, including hematopoietic cell immunotherapies for protecting the immune system of patients undergoing hematopoietic cell transplantation and for regulating autoimmunity. Its adoptive cell therapy programs are based on the Company's novel *ex vivo* cell programming approach, which it applies to modulate the therapeutic function and direct the fate of immune cells. 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 Company's progress and plans related to its adoptive immunotherapy programs and the therapeutic potential of cancer immunotherapies derived from induced pluripotent cells. 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 results observed in prior studies, including preclinical studies of its product candidates, will not be observed in

ongoing or future studies involving these product candidates, the risk that the Company may cease or delay preclinical or clinical development activities for any of its existing or future product candidates for a variety of reasons, the risk that any off-the-shelf NK- and T-cell therapies developed by the Company may not be suitable for therapeutic applications, and the risk that product candidates developed by the Company may not provide the anticipated therapeutic benefits. For a discussion of other risks and uncertainties, and other important factors, any of which could cause our 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 the Company's 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.

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