

Achates Power Continues Business Trajectory with Global OEM Contracts and Expanded Facilities

Company's annual revenue has increased 300 percent and it tripled its customer base

SAN DIEGO – Dec. 9, 2014—[Achates Power, Inc.](#), the developer of radically improved internal combustion engines that increase fuel efficiency, reduce greenhouse gas emissions and cost less than conventional engines, today announced it has secured another contract with a leading global OEM. With this contract, the company has five concurrent customers whose contracts encompass five different engine applications: passenger vehicle, light commercial vehicle, heavy commercial vehicle, military and marine/stationary power. Achates Power's engine allows OEMs to achieve the world's most stringent current and future fuel efficiency and emissions standards, which include, EPA 2010, Euro 6 and Tier 3/LEV 3, among others, without additional cost or complexity.

"Our goal is to bring the world's most efficient engines to market that provide a cost-effective solutions to a sustainable future," said David Johnson, president and CEO of Achates Power. "Our substantial investment has enabled extensive research, development and testing so that our engine technology will reach production within this decade."

Achates Power has experienced record growth throughout 2014. Achates Power's annual revenue has increased by more than 300 percent. The company has customers located in the U.S., Japan, Europe, China and India and its current engine programs range from 45 hp to more than 5,000 hp.

Given the increasing demand from the global automotive industry, Achates Power has expanded its business development team to enable a regional focus in China, Europe and India. In addition, the company has added 15 people to provide technical development support to meet its growing customer and R&D demands. To accommodate this growth, it has opened an additional office in San Diego. Achates Power expects to continue to hire employees in the next year as the company adds customers and advances its engine technology.

"The engine performance test results we've shared with OEMs, media and industry, are accelerating all our activities and we are seeing this acceleration from all market segments and all regions of the world," added Johnson. "For example, for passenger vehicles, we presented at the SAE World Congress in April that our engines will deliver a 30 percent increase in mpg, while meeting next generation emissions standards in comparison to an advanced diesel engine and an 86 percent mpg increase versus a production gasoline engine."

In 2014 alone, the company has accumulated more than 1,000 dyno hours of testing and presented its engine results at 11 industry-specific conferences around the globe, including SAE World Congress, SAE Commercial Vehicle Engineering Congress and the International Engine Congress. Achates Power also secured six new U.S. patents and 13 new foreign patents, bring the patent portfolio to over 1,800 unique innovations, 61 global patents and an additional 90 pending applications.

Within 2014, the company has tested two different three-cylinder engines in its dyno test cells. These new engine test results validated the company's single-cylinder test results and multi-cylinder engine projections with results proving, a 32 percent increase in the thermal efficiency versus production medium-duty diesel engines. To date, Achates Power's engine technology has been proven in over 6,000 hours of dyno testing.

In September of this year, Achates Power raised over \$10 million in a Series D round of funding. This latest round of funding brings the company's cumulative funding to over \$100 million. Achates Power is using this additional funding to continue its research and development programs, ensuring that the company stays at the forefront of Opposed-Piston engine technology.

About Achates Power, Inc.

Achates Power, Inc. has developed radically improved internal combustion engines that increase fuel efficiency, reduce greenhouse gas emissions and are lower cost. Founded in 2004 with the mission to build cleaner, more efficient engines, the San Diego-based company has an experienced staff of engineers and scientists focused on applying their proven technical know-how and expertise, coupled with the industry's leading-edge testing, simulation and analysis tools. It is backed by top private equity firms Sequoia Capital Partners, RockPort Capital Partners, Madrone Capital Partners, InterWest Partners and Triangle Peak Partners. For more information, visit www.achatespower.com, www.facebook.com/AchatesPowerInc, www.twitter.com/achatespower and www.youtube.com/achatespowerinc.

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