
Flying Ship raising funds for unmanned cargo aircraft with profitability on horizon –executives

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- Raising Series A, and could make acquisitions with later funding
 - Small logistics companies would be ideal targets
 - USD 100m purchase agreement signed for 2024 delivery
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Flying Ship Technologies, an early-stage startup developing an all-electric autonomous cargo aircraft, is raising its Series A to bring the vehicle into commercial service in 2024 or 2025, CEO Bill Peterson said.

The Leesburg, Virginia-based company is in talks with investors and the Series A is expected to close in summer 2022, Peterson said, declining to disclose names or total funding size.

Proceeds will also be used to gain approval from maritime authorities, acquiring manufacturing space, construction of a full-scale prototype and early production models, Peterson said.

Flying Ship kicked off a [crowdfunding campaign](#) to raise USD 1m in March, according to a Securities and Exchange Commission Form C filing made by the company in March. If the company reaches its USD 1m goal, funding will be used to hire a full-time staff, including in engineering, business development, legal and logistical support roles. The crowdfunding effort will also close this summer 2022, the company said.

The company is also actively pursuing government research and development funding through multiple small business initiatives, according to the SEC filing. The company is also collaborating with the US military through DARPA, the Marine Corps and the Navy.

According to the SEC filing, Flying Ship can operate without revenue until the end of 2024. The company currently has no debt.

The company will become profitable in the next three years, according to Flying Ship Executive Vice President and COO Gus Bateas, depending on how many vehicle orders the company can place.

Flying Ship is marketing its vehicle to logistics and ferry companies, Bateas said. The company is also targeting government buyers to purchase the vehicle for military logistics support and other applications.

In May 2021, the company signed a USD 100m purchase agreement with a “global European customer” for 20 vehicles to be delivered in 2024.

Flying Ship’s vehicles take advantage of an aerodynamic phenomenon known as the ground effect, where a vehicle close to a surface experiences increased lift. A vehicle that flies the ground effect can remain airborne while using minimal engine power, which is promising for developers of electric-powered aircraft since they can use available battery technology with greater efficiency.

The vehicle would use existing port facilities, and be classified as a boat, which brings lighter regulatory requirements.

The company is designing two vehicles. The first is an inter-island battery-powered model with a 36-foot wingspan, a 2,500-pound cargo capacity and a range of 300 nautical miles. The second is a regional variant with a 50-foot wingspan, a 6,000-pound cargo capacity and range of 1,000 nautical miles.

Flying Ship is considering acquisitions, according to Bateas. An ideal target would be a small logistics company in either the US or Europe. Bateas said the company is not in talks with targets at this time. Funding for acquisitions would come from subsequent funding rounds, he added, though he declined to specify when the company would raise capital after its Series A.

The company partnered with Greece-based software developer PROBOTEK in 2021 to develop the vehicle’s flight system, and Sconce for engineering support. Flying Ship has no plans to acquire either of those business at the moment, Bateas said.

Military shipbuilding giant Huntington Ingalls Industries [NYSE:HII] made numerous acquisitions to build up its unmanned vehicle portfolio. Huntington acquired Hydroid in February 2020 for USD 350m. The company also made a USD 12.3m strategic investment in Sea Machines Robotics in July 2020, and acquired the autonomy business of Spatial Integrated Systems that December for an undisclosed amount.

When asked if Flying Ship would be interested in being acquired by a business like Huntington, Bateas said: “We’d be happy to give them our phone number and discuss it.”

Other businesses developing ground effect vehicles include REGENT Craft. That vehicle will be piloted and is slated to launch in 2025.

Bateas sees competition coming from other areas than from other electric aircraft developers. “We’re competing against other transportation vehicles of similar cargo size, such as planes, vans and tractor trailers,” he said.

Flying Ship declined to disclose legal and financial advisors.

by [Benjamin Glick](#) in Chicago

Company record pending



Bolt
on/Oppportunistic
Companies for sale
Cross Border
Growth Capital
Raise
Other M&A
Intelligence

Geography

USA

States

Virginia (VA)

Sectors

Industrial products
and services

Sub-Sectors

Aerospace

Intelligence ID:
intelcms-3kxfcf

Grade

Confirmed

Charge Code

Not set

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