



BRV CHINA-BACKED EVTOL START-UP ZEROG CLOSES NEARLY RMB10 MILLION SEED ROUND

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Zerog, a Chinese eVTOL aircraft developer, recently completed a nearly RMB10 million (USD1.48 million) seed round with BlueRun Ventures China as the sole investor. The financing closes as the Nanjing-based start-up unveils ZG-ONE, its pioneering eVTOL aircraft product for low-altitude tourism. The Zerog is the only publicly known eVTOL firm in China that is simultaneously developing eVTOL aircraft with three configurations: multi-rotor, composite wing and tiltrotor.

Established in March 2021 by Xiang Jinwu, the Dean of the School of Aeronautic Science and Engineering in Beihang University and a leading academic at the Chinese Academy of Engineering, Zerog's first generation eVTOL aircraft ZG-ONE adopts a six-axis and six-paddle configuration, weighs 650kg and can carry two people. This model is directed for production with delivery scheduled on the second half of the year in small batches. In addition to providing travel services, ZG-ONE is fully functional in multiple scenarios such as logistics and transportation, emergency rescue and geological exploration.

Along with steadily rising demand, the global market for eVTOL aircraft is projected to grow from

an estimated USD 8.5 billion in 2021 to as much as USD 30.8 billion by 2030, at a CAGR of 15.3% during the forecast period, according to a research report published by MarketsandMarkets™. Morgan Stanley estimates the market for urban air mobility to hit USD 1 trillion by 2040 of which the Chinese market accounts for one quarter.

Stubborn urban traffic issues are propelling demand for alternative forms of transportation. UAM aircraft such as eVTOLs have then emerged as some practical substitutes. Some eVTOL aircraft are specialized for short trips which can skip road traffic in congested cities. Generally cheaper than helicopters operationally, they are the right tools in middle-mile and last-mile cargo delivery and medical services. As such, the demand for UAM in urban mobility applications is set to multiply in the years to come.

Terry Zhu, Managing Partner at BRV China, says: "In order for eVTOLs to fully flourish, there are certain complex technological thresholds to break through. The Zerog team possesses full-stack technical skills and product engineering capabilities. We are confident they can empower eVTOLs into much wider applications."

Zerog has established a presence in Hefei National High-tech Industry Development Zone. It is to launch the first production line of ZG-ONE in July with which mass production will be on the way. The firm already obtained a number of intended product orders. In Zerog's product lineup will be the second-generation composite wing model, the ZG-VC2, and the third-generation tilt-rotor model, the ZG-T6, which seats six people. Tilt-rotor aircraft are generally recognized as the most sophisticated eVTOLs in terms of technical development and can operate with the highest overall efficiency.

Mr. Zhu adds: "With an ever-growing urban population around the world, cities and metropolitans will inevitably look into UAM as complementary transportation as they seek reduction in pollution, improvement in connectivity, and easing strain on existing transport networks. As a signatory of the United Nations-supported Principles for Responsible Investment program, we are focused on investing in innovative businesses that deliver positive environmental and social outcomes. Zerog is one such ESG-compliant investment."

"We can clearly see the development of UAM has reached a critical point in terms of technological advance, global capital market support and consumer demand. BRV China will continue to turn the spotlight on eVTOL investments across areas including products, business models and infrastructure," says Mr. Zhu.

The founding team of Zerog says: "With an initial specialization in eVTOLs, we aim to provide smarter, faster, safer and more cost-effective solutions in UAM. Our goal is to bring electric aircraft into life and contribute to the air industry of China and of the world."

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