

## Starting up

- Most people have probably wished for a flying car when they were stuck in a traffic jam.  
What would the advantages of a flying car be?
- What about disadvantages?

## Vocabulary 1 – companies and investment

Choose the best ending for each sentence.

- 1 *Funds* are money that an organisation needs or has. The process of finding investors is .....  
a *under-funding*  
b *fundraising*  
c *an investment fund*
- 2 *Value* is how much something is worth. A statement of the value of a company is called a .....  
a *validation*  
b *devalue*  
c *valuation*
- 3 *Stakeholders* are people who have made an investment. Another word for *investment* is .....  
a *stake*  
b *holder*  
c *investment-holder*
- 4 Boats *float* on water and clouds *float* in the air. When shares in a company are traded on a stock market, the owners ..... the company.  
a *float on*  
b *float*  
c *float for*
- 5 A *tap* is a piece of equipment for accessing and controlling the flow of water or gas from a container. When a business connects with a certain market, it ..... it.  
a *taps for*  
b *turns the tap on*  
c *taps into*
- 6 *Regulations* are government rules for certain businesses. The government branches that make the rules and monitor companies are called .....  
a *regulators*  
b *regulars*  
c *registrations*

## Reading 1

Read through the article quickly. Are the sentences true (T) or false (F)?

- 1 Lilium has raised all of the money it needs to start producing a flying taxi.
- 2 The company didn't reach its investment goal.
- 3 Lilium is currently the only company actively developing a flying taxi.
- 4 Many countries around the world are prepared to approve flying taxis.

## Vocabulary 2 – flying taxis

Match the words bold (1–6) with the definitions (a–f).

- a pointing up in a line that forms an angle of 90° with a flat surface
- b an official document that says something is allowed
- c groups of vehicles controlled by one company
- d a professional who operates the controls of an aircraft
- e attached firmly in position – as opposed to moving, as on a helicopter
- f another expression for *flying taxi*
- g parts of a machine that turn very fast and push air

## Reading 2

Choose the best answer to each question.

- 1 What has made it difficult for the German company Lilium to reach its fundraising target?
  - a) problems with regulations
  - b) the coronavirus pandemic
  - c) strong competition from a Chinese rival
- 2 How long with the current funds last?
  - a) only a month
  - b) until the end of the pandemic
  - c) about a year
- 3 When does Lilium plan to make shares available for public trading?
  - a) after it starts service
  - b) possibly next year
  - c) in 2023
- 4 How is the Lilium vehicle different from the Joby vehicle?
  - a) The Lilium vehicle has no pilot.
  - b) The Lilium vehicle is like a helicopter.
  - c) The Lilium vehicle has fixed wings.
- 5 According to the article, what does Lilium need to consider carefully when it starts producing a fleet of vehicles?
  - a) how to train pilots
  - b) safety rules around the world
  - c) how to attract customers

## Flying taxi start-up raises \$240m from existing investors led by Tencent

Lilium, a German flying taxi start-up, has raised \$240m from existing investors led by Chinese technology group Tencent to fund the next stage of its growth.

The funds will be used to prepare for the large-scale production of a five-seater electric aircraft, powered by 36 fans, that Lilium intends to use to run a city-to-city taxi service from 2025.

The \$240m falls short of the \$500m Lilium was reported to be seeking last autumn, when it was also expected to bring in new investors. But high-profile problems at tech groups such as WeWork, and the extremely uncertain investment climate as the world battles the coronavirus pandemic, have made fundraising more challenging for start-ups.

Sequoia Capital, the US tech-focused venture capital firm, wrote earlier this month to start-ups it had invested in to warn that private fund raisings could “soften” significantly.

“We are super happy that we were able to close this round at the beginning of this crisis,” said Daniel Wiegand, Lilium’s co-founder and chief executive.

The latest fundraising will be enough to support Lilium for at least the next 12 months, said Christopher Delbrück, chief financial officer, who added he was confident the company would attract new investors in the next financing round. “We took what we thought was good funding right now with a number of investors who know us very well,” he said.

Including the most recent funding, Lilium has raised \$340m since the company was founded by four engineers in 2015. The latest round gives the company a valuation of between \$750m and \$1bn.

The founders still own the biggest stake in the business, although not a majority, and there was no plan to float the company before it brings its aircraft into service, Mr Delbrück said.

Lilium aims to build <sup>1</sup>**fleets** of aircraft and operate an on-demand air taxi service between regional cities. It is tapping into a market that has attracted investment from companies such as Uber, Airbus and Boeing, and is predicted by Morgan Stanley to reach about \$1.5tn a year by 2040. Toyota, the Japanese automaker, earlier this year invested \$394m in California-based flying taxi company Joby, which has developed a helicopter-like vehicle.

Lilium in contrast is developing an aircraft that has fixed wings with <sup>2</sup>**rotor fans** that can tilt downwards for <sup>3</sup>**vertical** take off and then forwards for flight. The extended **fixed** wings give the aircraft extra lift, which allows it to reach a range of 300km.

Mr Wiegand said the company intended to start producing aircraft for <sup>5</sup>**certification** around 2023, which would also help to establish the manufacturing processes required to produce at scale. Regulators around the world had moved quickly to establish certification regulations for <sup>6</sup>**urban air mobility vehicles**, and Lilium's aircraft would be developed according to these safety standards, Mr Wiegand said.

The group was planning to launch an on-demand taxi service in 2025 in two or three regions. Lilium, which employs 400 people, will hire <sup>7</sup>**commercial pilots** for its first services.

Tencent, a global tech giant and investor, provided the majority of the financing alongside Atomico, the investment firm founded by Niklas Zennstrom, LGT of Switzerland and Germany's Freigeist.

Tencent is seeking synergies across its investments as part of its strategy to expand its cloud services business. Many of its portfolio companies are encouraged to use its cloud services. Delbrück said this was being discussed but it was “an option for us not an obligation”.



**Grammar – perfect aspect**

Complete the text with the past simple, present perfect simple, past perfect simple or future perfect simple of the verbs in brackets.

The German flying taxi start-up Lilium <sup>1</sup> ..... (raise) \$240 million from investors and says the money will last about a year. Before this round of fundraising, the company <sup>2</sup> ..... (hope) to reach a target of \$500 million, but <sup>3</sup> ..... (not be) able to because of various problems. Since its first round of fundraising, the company <sup>4</sup> ..... (attract) a total of \$340 million in investment. Rival company Joby <sup>5</sup> ..... (develop) a helicopter-like vehicle that may compete with Lilium's. The majority of the most recent investment <sup>6</sup> ..... (come) from a Chinese company called Tencent. All being well, by the end of 2025, Lilium <sup>7</sup> ..... (launch) its service. We don't know if the company <sup>8</sup> ..... (float) by that time or not.

**Further discussion**

Do you think air taxis will solve traffic problems on the streets, or just create new traffic problems in the air?

**Group work**

Work together to answer these questions.

- 1 If shares were available in Lilium now, would you like to buy some? Why or why not?
- 2 What challenges do you think a flying taxi business will face?
- 3 Do you think you would be likely to use a flying taxi? Why or why not?

**ANSWER KEY****Starting up**

Possible advantages: Avoid traffic, make journeys quicker.

Possible disadvantages: Could be very expensive, could simply create traffic in the air, may not be as safe as driving on roads.

**Vocabulary 1**

- |     |     |
|-----|-----|
| 1 b | 4 b |
| 2 c | 5 c |
| 3 a | 6 a |

**Reading 1**

- |     |     |
|-----|-----|
| 1 F | 3 F |
| 2 T | 4 T |

**Vocabulary 2**

- |     |     |
|-----|-----|
| 1 c | 5 b |
| 2 g | 6 f |
| 3 a | 7 d |
| 4 e |     |

**Reading 2**

- |     |     |
|-----|-----|
| 1 b | 4 c |
| 2 c | 5 b |
| 3 a |     |

**Grammar**

- |                               |                      |
|-------------------------------|----------------------|
| 1 has raised                  | 5 has developed      |
| 2 had hoped / had been hoping | 6 came               |
| 3 wasn't                      | 7 will have launched |
| 4 has attracted               | 8 will have floated  |

**Further discussion**

Students' own ideas and answers

**Group work (possible answers)**

- Students' own ideas and answers
- Students' own ideas and answers; possible answers: Too much air traffic. Safety concerns (a single accident could frighten customers). Infrastructure: Where can a flying taxi take off and land?
- Students' own ideas and answers

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