

Once Upon a Time... The Story of an Automotive Start-up

We have received an amazing response to the first pictures and media coverage of our new demo RV here on LinkedIn. And quite a few people have asked me about the real story behind it.

So here it is. The CityFreighter story – why we started, what we learned, why things took longer than we ever expected, and why we still believe there is a different way to build electric vehicles. The demo we are bringing to Caravan Salon is the latest chapter of that story, not the beginning of it.

Once upon a time...

In 2016, I got my first Tesla.

I knew almost immediately that the future of transportation would be electric – and I decided that somehow, I wanted to become part of it.

Looking back, that was probably a rather naïve thought.

I was certainly not an automotive engineer. What I had was an idea, a lot of confidence, curiosity and – as it turned out – quite a bit of persistence.

Persistence was something I had learned to value long before CityFreighter.

Two people I met earlier in my life left a particular impression on me in that respect. Laurence Hallier, the inventor of cab advertising in New York, with whom I once did a very special project and we changed cab advertising design across NYC, and my friend Bob Duggan, who went on to become a multi-billionaire.

Very different people and very different encounters, but both taught me something that stayed with me:

Talent and ideas matter. But very often, the difference is simply who keeps going.

I had no idea at the time how important that lesson would become (a lesson of life I am trying to teach to my two beautiful daughters, Vivian and Vanessa, as well).

What followed was anything but a fairy tale.

It became an all-in journey with plenty of emotions, frustration and setbacks – but also moments of pure excitement that I will probably never forget.

Along the way, we built two actual vehicles.

Our first prototype was completed in 2018. The second – our Beta prototype – followed in 2021.



They were not show cars. They were built to learn, test our assumptions and prove that the architecture we had in mind could actually work.

And each of them taught us more than any PowerPoint ever could.

One of the moments I will probably never forget was flying our first prototype from Europe to California for the ACT Expo in Long Beach in a Cargolux 747 – travelling with it, sitting in the cockpit as we touched down at LAX, and driving our baby out of the airport myself just two and a half hours after the aircraft had landed.

Another was meeting BYD Vice President Stella Li at our booth at LACoMotion and discussing the future design of commercial EVs with her. We found ourselves remarkably aligned on where commercial EV design needed to go.

Looking at where BYD is today, I sometimes think back to that conversation.

And of course, not every moment with those early prototypes was quite as glamorous.

I remember driving the prototype from Downtown Los Angeles to Long Beach on a Friday afternoon for a Verizon advertising shoot.

Somewhere on the very busy 110, a screw in the steering mechanism came loose.

A screw I had actually installed myself.

A tiny part. A rather big consequence.

The vehicle became impossible to move – and for a while, our little automotive start-up managed to block the 110 freeway while we figured out how to get the prototype recovered.

Welcome to automotive development.

Not particularly funny at the time.

Very funny today.

And then there were the people I met along the way.

My friend Remo Weber in Los Angeles, a truck engineer and commercial-EV enthusiast from the very early days, supported us in many ways from the start. Uli Kranz, who led the development of several well-known BMW vehicles, became one of the driving forces behind the original BMW i3 and later a leader of Apple's car project, became a valuable friend and adviser. Then there was Laszlo Kovacs who became our HV specialist and one of my best friends, Josef Hjelmaker, who built the Thor vision vehicle, and conversations with Tesla design chief Franz von Holzhausen at the Model Y premiere, and of course Michael Hall and Reiner Brenner, our long term investors who always believed in CityFreighter – just to name a few among many others.

Many hours of discussions with people like them pushed my own automotive understanding forward enormously. They challenged assumptions, explained why things in this industry work the way they do – and sometimes why they shouldn't.

We learned. A lot. There were other moments that shaped my thinking.

In the early days, we travelled through China and visited some of the country's major truck manufacturers.

I remember standing at the assembly line of Foton in Qingdao, watching trucks being built, when I had one of those very simple but important realizations:

This is not Mars technology.



There was no magic happening in front of me. No secret technology that made building a commercial vehicle something only a handful of global OEMs could ever attempt.

It was engineering. Supply chain. Manufacturing. Processes. Capital. And a lot of experience.

And suddenly my thought was:

This is an opportunity.

During those years we also got remarkably close to many of the people trying to reinvent mobility – from the team around Canoo in LA to Henrik Fisker's office two miles down the road and the people around the Street Scooter project in Germany. Ulrich Berners, who's company LBBZ manufactured all chassis for StreetScooter has become another believer and supporter in CityFreighter.

There were fascinating ideas, enormous ambitions and, in some cases, enormous amounts of money involved.

I still remember my friend Stefan approaching me one day at his home in California with a rather unexpected question:

"What do you think about buying Street Scooter?"

Those were strange and exciting years.

We had a front-row seat to an industry trying to reinvent itself – and we learned from it.

What was possible.

What wasn't.

What required real automotive competence.

And, perhaps most importantly, that challenging the established way of building vehicles was not crazy.

And then, of course, came COVID.

For a young automotive company dependent on international suppliers, engineering partners and physical prototype development, the pandemic was anything but a minor interruption.

Supply chains stalled. Travel became almost impossible. Development work slowed down, partners had other priorities, and timelines that had already been ambitious stretched considerably.

COVID became one of the biggest reasons why our original timeline stretched far beyond what we had planned.

But it didn't change our conviction.

Then we also witnessed the other side of the EV revolution.

Fundraising itself became another education.

My friend Stefan – a former CFO at BMW and later Deutsche Bank – once shared an observation with me that stayed with me throughout those years:

When the amount of money is small, everybody counts it very carefully. Once the numbers become enormous, people sometimes stop counting and start believing.

I came to understand what he meant.

Early-stage investor discussions could be brutal. Every assumption challenged. Every number questioned. Every risk examined.

Yet we also watched companies raise hundreds of millions based on extraordinary visions of what they might become. Once prominent investors and huge amounts of capital were already involved, the story itself seemed to gain credibility.

And some founders were exceptionally good storytellers.

We probably weren't.

Or, looking back, perhaps we were simply **too conservative in telling our own story.**

At one point, we visited another EV start-up in California. Two young founders had just raised hundreds of millions of dollars via a SPAC (special purpose acquisition company) at a valuation of around \$2.4 billion (!)

After walking through their premises, we looked at each other and essentially came to the same conclusion:

Where is the \$2.4 billion?

There wasn't much there.

Then came the failures. Arrival. Lightyear. Sono Motors. And many others.

I still remember the day Volta Trucks filed for its first insolvency. More than 800 people were employed there.

That one shocked me.

The consequences went far beyond those individual companies.

Investors became extremely cautious about automotive start-ups. Raising the enormous amounts of capital needed to develop and industrialize a new vehicle became dramatically more difficult.

And sometimes the frustration came from places where we had expected exactly the opposite.

Germany talks a lot about supporting innovation, transformation and the transition to electric mobility. So naturally, public funding programs became part of our journey as well.

Some of those experiences were difficult to understand.

In one case, we spent considerable time revising a project together with the ika institute at RWTH Aachen University for a funding program of the German Federal Ministry for Economic Affairs.

The program itself had a minimum project duration of three years.

One of the reasons given for questioning our proposal was that it was considered unrealistic that we could develop the required vehicle-architecture interfaces within those three years.

For an automotive start-up working together with one of Germany's leading automotive research institutes, that was a remarkable moment.

And it was not the only one.

Over time, we increasingly had the impression that the available funding did not always match the ambitions communicated around transformation and innovation. Rejections sometimes came with reasoning that was difficult for us – and our experienced partners – to understand.

Those moments were frustrating.

Because while everybody talks about accelerating transformation, companies actually trying to do it are still measured against processes and timelines that can make acceleration remarkably difficult.

And to be very open:

We probably wouldn't be here today without one or two individual investors who continued to believe in what we were doing.

There were times when CityFreighter seemed to exist somewhere between being alive and disappearing.

No big funding rounds. No hundreds of millions in the bank. We even learned that receiving a termsheet isn't a firm commitment,

Just a small number of people who believed strongly enough in the vision to help us keep going when it mattered most. And most important, always getting the support and motivation to keep on going from my wife Marion, married with for over 25 years now.

That support bought us something incredibly valuable:

Time.

Time to learn. Time to rethink. Time to build. And time to keep pursuing the conviction that had started this journey in the first place.

Giving up would certainly have been the easier option. A good friend once told me he would have given up ten times already.

But it wasn't ours.

One conviction remained

Through all those years, one fundamental idea never changed:

Specialty-vehicle manufacturers need a modular, purpose-built electric platform.

These are markets the large OEMs don't particularly like to touch.

RVs. Shuttles. Paratransit. Municipal vehicles. Last-mile and other specialty applications.

Individually, some of these markets may look like niches to a global OEM.

Combined, they represent very interesting volumes.

More importantly, their requirements are fundamentally different from those of a standard delivery van.

That became increasingly obvious to us in the RV industry.

For three years in a row, we visited the Caravan Salon in Düsseldorf.

And every year we asked ourselves essentially the same question:

Where is the real innovation?

We organized workshops with leading RV manufacturers. We talked to C-suite executives. We listened to what they needed – and to what they couldn't get.

And we became increasingly convinced that simply putting an electric drivetrain into the traditional relationship between chassis manufacturer and RV builder would not be enough.

The rules are changing.

The days when a body builder could simply cut, drill, weld and modify a vehicle wherever needed are disappearing.

High-voltage systems, software, functional safety and cybersecurity increasingly define what a manufacturer can and cannot access in a modern vehicle architecture. And in Europe, the regulatory requirements are only becoming more demanding. GSR III is already in play and the automotive guys among you know what I am talking about.

And that matters enormously for an RV manufacturer.

Because most RV companies are excellent at what they do – designing interiors, building furniture, creating living spaces and turning vehicles into homes.

But they are not automotive OEMs.

There was one notable difference in our discussions: a leading French RV group whose CEO had previously run an automotive OEM.

They understood very clearly what was coming and had put an automotive-experienced Energy Transition Manager in place.

One of our conversations stayed with me:

“Michael, we need one battery for all, one heat pump, and this and this – but we won't get it from the OEMs in the near future.”

That, in a nutshell, was the problem.

One of those discussions became particularly memorable.

We spent a long evening with the executive team of a well-known RV manufacturer South of Stuttgart, discussing what an electric RV could realistically achieve.

At some point, their Director of Development was very clear about his doubts:

“Everybody tells me you will never get beyond a real-world range of 270 or 280 kilometers. Technically impossible.”

That stayed with us.

So a few weeks later, we decided not to debate it.

We tested it.

We loaded one of our demonstrators with the battery configuration and additional weight to bring the vehicle to its full 4.25-ton gross vehicle weight and took it out for a mixed real-world test.

German Autobahn. Country roads. Mountains. Different driving conditions.



The result:

More than 400 kilometers.

And this was not a highly optimized production vehicle built specifically to achieve a record number. It was a demonstrator.

That experience taught us something that has accompanied us throughout the CityFreighter journey:

Sometimes the limitations of what is considered possible are based on the architecture people already know.

Change the architecture, and suddenly you can start challenging those assumptions.

A wake-up call

Last year, I walked through Caravan Salon together with my friend Thomas Aurich and the well-known journalist Franz Rother from Edison Media.

We talked about the future of the industry, looked at the vehicles around us and came to the conclusion that something had to change.

Electrification is coming.

Regulation is changing.

Customer expectations are changing.

Yet an industry cannot prepare for that future simply by waiting for the traditional OEMs to deliver the perfect solution.

At some point I said:

“Let's do something next year. Let's make it happen.”

But the real push came later from Harmen Kruit, CEO of Euramax, whose aluminium products are used throughout the RV industry and who sponsored the body structure of our RV demo.

He told me:

“Michael, you need to show them something they can touch and feel. The real thing.”

He was right.

PowerPoint was not going to do it.

Another rendering was not going to do it.

Another discussion about what might theoretically be possible in five or ten years was not going to do it.

We needed to build something.

So we started.

Harmen introduced us to Vöhringer, the innovative Swabian lightweight specialist, which together with its partner Ross Design took responsibility for the interior.

For the exterior and overall design work, my friend Martijn Pennings from Motive Development joined the project.

And then something interesting happened.

Everybody started bringing their own network into the project.

One partner led to another. Well-known suppliers from across the industry joined us and offered some of their latest innovations for the demo.



There was no huge development budget behind it.

We started at the beginning of this year with a pretty simple ambition:

Let's show the industry what is possible.

The way we developed it was probably somewhat unconventional.

We were designing and building at the same time.

Ideas changed while parts were already being made. Problems had to be solved as they appeared. People contributed because they believed in what we were trying to demonstrate.

And slowly, the idea became a real vehicle.

70 centimeters tell quite a story

When you step inside the demo for the first time, one thing becomes obvious immediately.

Space.

Compared with a conventional OEM-chassis-based RV of the same overall length, our architecture provides around **70 cm more usable interior length**.

Seventy centimeters in an RV is not an incremental improvement.

It changes what you can do with the vehicle.

But the demo is about much more than those 70 centimeters.

It is about what becomes possible when you stop asking:

“How do we adapt an electric van chassis to become an RV?”

and start asking:

“What would an electric platform look like if we designed it around the needs of an RV manufacturer from the beginning?”



That is a fundamentally different question.

And you will find examples of that thinking throughout the vehicle.

And no – this is not a finished vehicle.

That is actually the point.

It is a demonstrator.

Something to walk into.

Something to touch.

Something to discuss.

Something to criticize.

And something that hopefully makes people think about what an electric RV could become if we stopped accepting the limitations inherited from conventional vehicle architectures.

We are not trying to become an RV manufacturer.

We want to enable RV manufacturers and other specialty builders to create better electric vehicles.

And we believe there is a realistic way to get there without asking an individual manufacturer to spend tens of millions developing its own vehicle platform.

We have important resources and partners in place, including a path toward serial production of chassis and cabin at automotive-comparable economics.

But the next step should not be ours alone.

We are looking for two or three manufacturers.

Not twenty. Not fifty.

Two or three RV or other body manufacturers who believe that the future deserves more than simply electrifying yesterday's architecture.

Manufacturers willing to sit around the table with us, define what they really need from the next generation of electric platforms and help turn this demonstrator into something that can ultimately go into series production.

And there are routes to finance that journey without one manufacturer or investor having to carry the entire development risk. Industry partners, technology suppliers, research institutions, public funding and private capital can all play their part.

But it requires collaboration.

Collaboration – a word that has actually been part of our story from very early on.

I remember sitting at ACT Expo in 2017, watching a presentation by Daimler USA. One slide had a single word in huge letters across the middle:

COLLABORATION.

For some reason, that word hit me.

Maybe because even then I understood that a small company like ours would never change automotive by trying to do everything itself.

Almost ten years later, I believe in that word more than ever.

So if you are at Caravan Salon Düsseldorf, come and see it.

Walk through it. Look underneath it. Ask difficult questions. Tell us what you like – and what you don't.

And if you are one of those two or three manufacturers:

Let's sit down and figure out the route together.

The technology is possible.

The partners are there.

The routes to finance it exist.

What we need now is the willingness to do it together.

The time is now.

