

Press release, 27 January 2022

EU invests in wood technology company Modvion

The European Commission invests €1.5 million in Gothenburg-based wood technology company Modvion. The investment is done through the EIC Fund and is one part of the EIC Accelerator support of €6.5 million in funding Modvion was granted in 2020 to build its first commercial wind turbine tower in wood.

“It is a seal of quality that the EU chooses to continue supporting us, and now taking the step to become a shareholder. To combat the climate crises, we need more renewable energy and sustainable wooden constructions, our technology enables both,” says Otto Lundman, CEO of Modvion AB.

The EIC Fund is an initiative by the European Commission to support breakthrough innovation companies. In 2020, Modvion was granted a total of €6.5 million in funding through the very competitive EIC Accelerator programme. The funding consists of €2.4 million in grants and the remaining €4.1 million in equity.

“We are glad to announce the EIC Fund is contributing to Modvion’s bringing to market the next generation of wind turbine towers. Replacing concrete and steel, from which traditional wind towers are built, with laminated wood dramatically reduces the carbon dioxide footprint of the wind energy industry.” added Martin Bruncko, member of the EIC Fund Investment Committee.

Modvion builds wooden wind turbine towers in laminated wood, nature’s own carbon fibre, which is stronger than steel at the same weight. The towers are built in modules that can be transported on public roads, making it easier to build taller towers at a lower cost. The carbon dioxide taken up by trees as they grow is stored in the wooden towers, which enables climate - neutral wind power by replacing large emissions from steel or concrete towers.

Amongst other things, the EU funding will be used to build Modvion’s first factory. In April 2020, Modvion’s first wooden tower was erected on the island of Björkö outside Gothenburg. The 30-metre tower was ordered by the Swedish Wind Power Technology Centre at Chalmers University of Technology.

“We enable the wind power industry to build climate-neutral wind energy, lower total costs and facilitate transportation of tall towers. It feels great that the European Innovation Council understands the potential in our technology and invests in fighting climate change,” says Otto Lundman.

In 2021, Danish Vestas, the world’s leading wind turbine manufacturer, became a shareholder in Modvion. Additionally, Modvion has an ongoing collaboration with global energy company Enel Green Power and has signed letters of intent for wind turbine towers with international power company Vattenfall, as well as with Rabbalshede Kraft and Varberg Energi.

Facts on wooden wind turbine towers:

- Building a wooden tower emits about 90% less carbon dioxide than a steel tower
- The wooden material used in the construction is similar to plywood and made of Nordic spruce. The material is stronger than steel per weight.
- The modular concept enables higher towers to be built while still using normal roads for transportation.
- For questions and answers about wooden wind turbine towers, please see this [FAQ](#).

For more information, please contact:

Otto Lundman, CEO, Modvion AB, +46702-72 06 24, otto@modvion.com

Press photographs of Modvion are available [here](#).

About Modvion

Swedish wood technology company Modvion develops demanding designs made of laminated wood, nature's carbon fibre, for large-scale applications. Wooden designs enable radical reductions in emissions by replacing emission-heavy material such as steel and concrete. Thanks to their patented module system, Modvion has been able to develop wind towers at decreased manufacturing costs and more efficient transportation for installations of tall towers.

About EIC Fund

Established in June 2020, the European Innovation Council Fund (EIC Fund) is a breakthrough initiative of the European Commission to make direct equity and quasi-equity investments (between €500.000 and €15 million) in European high impact and deep tech start-ups and scale ups. With a long-term perspective, the EIC Fund invests in companies from any sector, across all EU member states as well as in associated countries.

The EIC Fund aims to fill a critical financing gap and its main purpose is to support companies in the development and commercialization of disruptive technologies. This is achieved by crowding-in market players and further sharing risk by building a large network of capital providers and strategic partners suitable for co-investments and follow-on funding.

The Fund pays particular attention to the empowerment and support of female founders as well as the ambition to reduce the innovation divide among EU countries.