Breakthrough Energy VENTURES

2026

INVESTOR UPDATE

To our investors,

A decade ago, we set out to build companies in some of the largest and most consequential industrial markets on earth—manufacturing, electricity, agriculture, transportation, and buildings. These are the foundational industries that underpin global prosperity, yet for decades they had seen far less innovation than the digital economy.

We believed that enduring businesses are built by improving the essential systems people depend on. So we set out to drive innovation in these overlooked industries that would benefit people everywhere while creating extraordinary economic opportunity for investors. After all, the scale of these markets is measured in trillions of dollars:

+ Global cement and concrete
+ Steel and industrial metals
+ Fertilizers and agricultural inputs
+ Electricity systems facing step-function growth

And a rising global middle class continues to drive further demand.

Simply put, what gets built over the next several decades will underpin the trillion-dollar industries of the future.

Building With Discipline

Breakthrough Energy Ventures began investing with a purpose-built team of domain experts and operators backed by our founder Bill Gates and other visionary investors with the foresight and patience required to build enduring industrial businesses.

Since then, we have refined our focus, strengthened our team, and concentrated on where we believe we uniquely add value: backing category-defining companies in foundational industries to deliver venture-scale returns.

From the beginning, our underwriting philosophy has been clear: we invest in clean technologies that will compete on cost and performance. Not solutions that depend on permanent premiums or subsidies, but companies capable of delivering products the market chooses because they are better and cheaper.

That focus on cost competitiveness—what we call eliminating the green premium—remains central to how we deploy capital.

Today, we have invested in more than 130 companies. Those companies have gone on to raise approximately ten dollars for every dollar we invested. Our initial group of 20 investors has grown to more than 75, including leading institutions that recognize the scale and durability of this opportunity.

Progress Becomes Infrastructure

Building enduring industrial companies requires unusual resilience, long time horizons, and the courage to pursue what others consider too hard. So shout out first to the founders, engineers, and operators taking real risks to build hard things. They are designing first-of-a-kind plants, navigating complex regulations, and dedicating years to technologies that could redefine entire industries. Venture capital provides fuel—entrepreneurs do the building. Let's never forget—they are the heroes of this story.

Across the portfolio, companies have moved from concept to construction.

+ **Fervo Energy** is developing commercial-scale geothermal power with contracted offtake.
+ **Commonwealth Fusion Systems** is building the next generation of fusion infrastructure.
+ **Form Energy** is manufacturing long-duration storage at industrial scale.
+ **LuxWall** and **Aeroseal** are lowering the cost of comfort in buildings.
+ **KoBold** is modernizing mineral discovery.
+ **Pivot Bio** and **Rumin8** are reshaping agricultural productivity.

These are not prototypes. They are companies building plants, signing contracts, and entering markets measured in billions and trillions of dollars.

While industrial transformation takes time, many of our companies are now far enough along to demonstrate tangible cost reductions and commercial traction. In multiple sectors, we see credible pathways toward materially lowering the cost of decarbonization—not through mandates, but through better products.

Behind them is a second and third wave advancing the next generation of breakthroughs. As first movers prove technical and commercial viability, new founders build on that foundation. This progression—from concept to construction to scaled infrastructure—is core to our thesis. Innovation in foundational industries doesn't arrive all at once; it compounds.

Why This Moment Matters

Ten years ago, the conventional wisdom was that fundamentally changing the world's physical economy was impossible. Today, from my vantage point it looks quite probable, and I truly believe we are on a path for it to become inevitable.

Bill's conviction and long time horizon remain foundational to our work, and we are encouraged by the growing group of long-term institutional partners investing alongside him and our other founding investors—a signal of confidence in the scale and durability of this opportunity.

Energy demand continues to grow, driven by electrification, industrial expansion, AI infrastructure, and rising prosperity globally. Once it is built, the infrastructure to provide these services will stay in place for decades. Foundational infrastructure has historically produced some of the most enduring enterprises in the global economy. The companies that establish technological and cost leadership today will become household names for generations to come.

At the same time, capital markets have become more selective. They are concentrating on technologies that have clear cost trajectories, can show a credible path to deployment, and are resilient in the face of geopolitical risk. We view this discipline as constructive. Rational valuations, technical progress, and a maturing ecosystem create a more durable foundation for long-term investors.

Let's be clear—venture investing in hard technology carries real risk. Not every company will succeed; power-law outcomes require informed swings at ambitious problems. We embrace and mitigate risk through deep domain expertise, rigorous underwriting, and patient capital, but high risk and high reward are inherent to building enduring industrial companies.

The Road Ahead

A gap exists between where venture capital ends and infrastructure capital begins. Too often, that divide slows the transition from breakthrough technology to system-wide adoption. Bridging it—enabling breakthrough companies to attract large-scale, long-duration capital—represents one of the defining capital formation opportunities of our time. If we succeed, the prize will be enormous.

We firmly believe the next generation of great global businesses will be built in the foundational industries that shape everyday life. Our focus areas guide us, but they do not confine us. As adjacent domains emerge within the physical economy where we have expertise and see a clear path to cost-competitive impact, we will pursue them with the same discipline. And as our companies scale, we will continue building the capabilities and vehicles required. The opportunity is large, the work is demanding, and the time horizon is long. We are committed to building enduring companies that can deliver strong financial returns while powering a more modern and resilient industrial economy—strengthening the foundational industries that underpin global prosperity. When superior infrastructure replaces legacy systems at scale, the value creation will endure for decades.

We are grateful to partner with investors who share that long-term perspective. Much more to come.

Rodi Guidero
Executive Director, Breakthrough Energy
Managing Partner, Breakthrough Energy Ventures