

DOMO.VC | Status4



Date of Investment

March 2022

Transaction Size

~USD450k

Participation Stake

15%

Status4 is a Brazilian company focused on limiting the waste of natural resources through improving leakage detection technology. Through the company's proprietary AI hardware (4Fluid) and pipeline monitoring system (Ada System), clients have saved enough water to fill 170+ Olympic swimming pools. With support from DOMO.VC, Status4 has expanded its market presence and increased monthly gross revenue by 166%. As of 2024, Status4's technology solutions are used to monitor 3,000 kilometers of pipelines across 250+ cities, helping to minimize water losses and improve service.

Investor Profile

DOMO.VC

FUND NAME

DOMO.VC Enterprise

FUND SIZE

BRL133.4m

TOTAL AUM

USD115m

Company Profile

status4

COMPANY NAME

Status4

INDUSTRY

Water, Waste and Sanitation

LOCATION

Brazil

DOMO.VC is a Brazilian Venture Capital Firm that invests in early-stage technology startups across Latin America. The firm's general partners have over 25 years of experience in the tech and financial industries, supporting the development of talented entrepreneurs and seed-stage startups. DOMO.VC has been investing in both consumer and B2B companies since 2014 across multiple funds.

Status4 is a company focused on limiting the waste of natural resources through pipeline systems. The company's main products are 4Fluid, which enables users to detect the likelihood of a leakage, and the Ada System, an intelligence platform used to monitor pipeline networks. By using Status4's solution, companies can more efficiently manage the distribution of key resources and sanitation.

The Opportunity

Despite having the highest water availability in the world, 14% of the Brazilian population still lacks access to a safely managed source of water. Currently, Brazil loses ~38% of the water collected in reservoirs during distribution, largely due to leakages, which corresponds to an annual financial loss of ~BRL12b (USD2.1b). The most common method of identifying leaks is with a geophone, a tool that amplifies low sounds across large distances and is used by operators who travel along pipeline networks to detect potential leakages. However, this process is very labor intensive and relies on the expertise of specialized operators, so leaks can remain undetected for months.

Status4 is a Brazilian company established in 2015 focused on limiting water waste through leakage detection technology. Through 4Fluid, the company's proprietary software, non-specialized field operators can record and upload the sound of pipes with a mobile device. The system analyzes the recordings to determine the likelihood of leakage based on a proprietary AI model trained from over 5.5 million audio samples and is equipped with traceability functions. The 4Fluid application contains dashboards that record the management of suspected leakages and the volume of water recovered.

Status4's founders also designed the Ada System, a platform that continuously identifies risk areas for leakages using IoT pressure devices installed throughout a client's pipelines. After establishing both offerings, Status4 began to seek partnerships to expand its market presence.



Execution

In March 2022, DOMO.VC became the first institutional investor to partner with Status4, identifying the opportunity to scale its product offering and increase customer acquisitions. DOMO.VC encouraged the company to focus more resources on its intelligence platform to serve clients that manage large pipeline systems. Recognizing the difficulty of navigating the lengthy B2B sales process for big-end customers, DOMO.VC also guided the company through establishing a more transparent sales process and revising pricing models. Due to these shifts, Status4 has grown its monthly gross revenue by 166% since DOMO.VC's entry.

Additionally, DOMO.VC focused on leveraging its institutional knowledge to support the company's internal development. During the pandemic, DOMO.VC identified alternative suppliers to address any potential hardware shortages and assisted the company in acquiring tools for remote collaboration. DOMO.VC also supported the incorporation of improved impact metrics into company KPIs, reinforcing the value proposition of Status4 through the perspective of sustainable resource management. In April 2023, DOMO.VC made a follow-on investment in the company to support the implementation of an improved enterprise sales strategy for customer acquisition.

As of 2024, Status4's technology solutions are used to monitor 3,000 kilometers of pipelines across 250+ cities, helping to minimize water losses and improve overall service.

Environmental Impact

Status4's customers have consistently been able to improve sustainable resource management and reduce additional expenses, creating a path toward increasing the accessibility of water. Within six months of utilizing the Ada System in Curitiba, SANEPAR reported a 70% water loss reduction, leading to an annual reduction of 895 tons of CO₂. In Rio de Janeiro, Brazilian water company Águas de Niterói implemented 4Fluid Mobile during a pipeline survey and resolved 2,563 previously undetected leaks. In total, the company's customers have recovered enough water to fill over 170 Olympic swimming pools.

The company's founders have won multiple awards for their innovative technology, including the BID Award, Climate Ventures and IguáLab awards. With Status4's Ada System, the reported average lifecycle of leakage has reduced from 180 days to 2 days, optimizing the work of field operators by directly identifying areas with potential leakages. Additionally, Status4's customers have saved ~USD7m in energy and distribution costs by avoiding the treatment of excess water, creating the opportunity to direct more resources toward improved water accessibility.