

FILO SRL

**SECTOR
INTERNET OF THINGS**
**REGION
EUROPE**

Filo Srl is one of Italy's super startups, a smart-tech company flourishing in the Internet of Things (IoT) sector. Founded in 2014 by current CEO Giorgio Sadolfo and his like-minded team of visionary entrepreneurs, Filo quickly capitalised on venture seed funding and a place on the highly regarded Luiss Enlabs accelerator programme, based in Rome. Developing and manufacturing Bluetooth-enabled tracking tags, Filo was hailed as one of Italy's top 100 startups of 2015. To date, Filo has sold over 400,000 tags and has continuously invested in improving and refining the product.

The company continues to go from strength to strength. In 2019 Filo launched its market-leading children's car seat anti-abandonment safety tracker – the Tata Pad – and completed a second round of investor funding in 2020 despite the backdrop of uncertainty created by the burgeoning pandemic. Filo's research and development department are currently engaged in exploring new tracking technologies to push existing boundaries. By the end of last year, Filo had enjoyed a remarkable 300% year-on-year growth and a turnover in excess of EUR 10m (USD 12m), while its technology has been integrated under licence into many other products, with patents filed in over 30 countries.

CHALLENGE

Behind the headlines, Giorgio Sadolfo has had to address the financial management implications and opportunities of Filo's upward trajectory.



Filo founders (l to r): Giorgio Sadolfo, Francesco Ceccherelli, Andrea Gattini, Stefania De Roberto

"To register on the Italian Chamber of Commerce's programme for innovative SMEs (small-medium enterprises), we needed to file a set of certified annual accounts," says Giorgio. "The programme offers many benefits, like tax incentives, guarantee schemes for financing and access to equity crowdfunding, so it is an important registration for us.

"It meant I had to find an auditor who really understood the nature of startups, and who we felt could work in our high-pressure environment as part of the team, not only for this review but for the longer term too."

SOLUTION

After consulting with his investors, Giorgio approached Andrea D'Amico at UHY Italy, who had been recommended for his expertise and understanding of the sector. Andrea has worked with many entrepreneurs in early stage businesses and was an excellent fit for Filo, as Giorgio confirms.

"Andrea has huge experience and is a total professional. In just a few weeks he had understood all our needs which

were many and often complex. He headed his team with great competence. He and Silvia Candela (UHY senior on the audit team) certainly met the challenge to close our financial review on time."

RESULT

The successful completion of Filo's first audit to a clear deadline – regardless of Covid-19 lockdown – has drawn praise from Filo's management and has enabled the company to press ahead with its business registration plans. "It has been a great budget revision for our investors and partners," says Giorgio. "Moreover, during this process, Andrea was happy to share his thoughts on future opportunities and challenges for Filo. He clearly shares our vision."

Andrea agrees that UHY Italy and Filo feels like a well-matched pair. "We share an enthusiastic view of doing business. It has been an exciting journey for us, and hopefully in the future we will see Filo exploring some new avenues of stakeholder engagement, such as meeting increasing investor needs for sustainable business reporting, or developing plans for expansion outside of Italy. If they do, we would like nothing better than to be the auditor which certifies their non-financial declaration, and the trusted advisor which can connect them with other UHY colleagues across Europe."

With a strong relationship forged between them from the outset, the future looks bright for both.

UHY IN THE SMART TECH SECTOR

UHY has wide experience in the technology sector, helping established tech leaders and startups with financial planning for product development, resource management and strategic planning. Smart tech and the internet of things pose additional challenges and opportunities, and as well as traditional accountancy services, our members give business advice to high growth, innovative technology companies looking to expand into overseas markets, and to startups seeking development stage funding.