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Embattled tech company Metigy goes into liquidation owing \$32m

A struggling Australian tech company owing \$32 million has gone into liquidation after it couldn't trade its way out of disaster.

[Alex Turner-Cohen](#) and [Sarah Sharples](#)

 3 min read September 5, 2022 - 11:44AM

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A struggling Australian tech company owing \$32 million has gone into liquidation after it couldn’t trade its way out of disaster.

Metigy, which offered an artificial intelligence platform to small business for marketing purposes, was placed into administration late last month, [leaving staff and investors shell-shocked](#).

But on Friday, creditors voted to put the company into liquidation, with a notice from the Australian Securities and Investments Commission (ASIC) showing that a special resolution had been passed allowing for the company to “be wound up voluntarily”.

Its status is currently “in liquidation” as of September 2.

The two appointed administrators, Simon Cathro and Andrew Blundell of Cathro Partners, are now acting as the liquidators of the company.

Administrators had previously recommended that the company be put into liquidation.

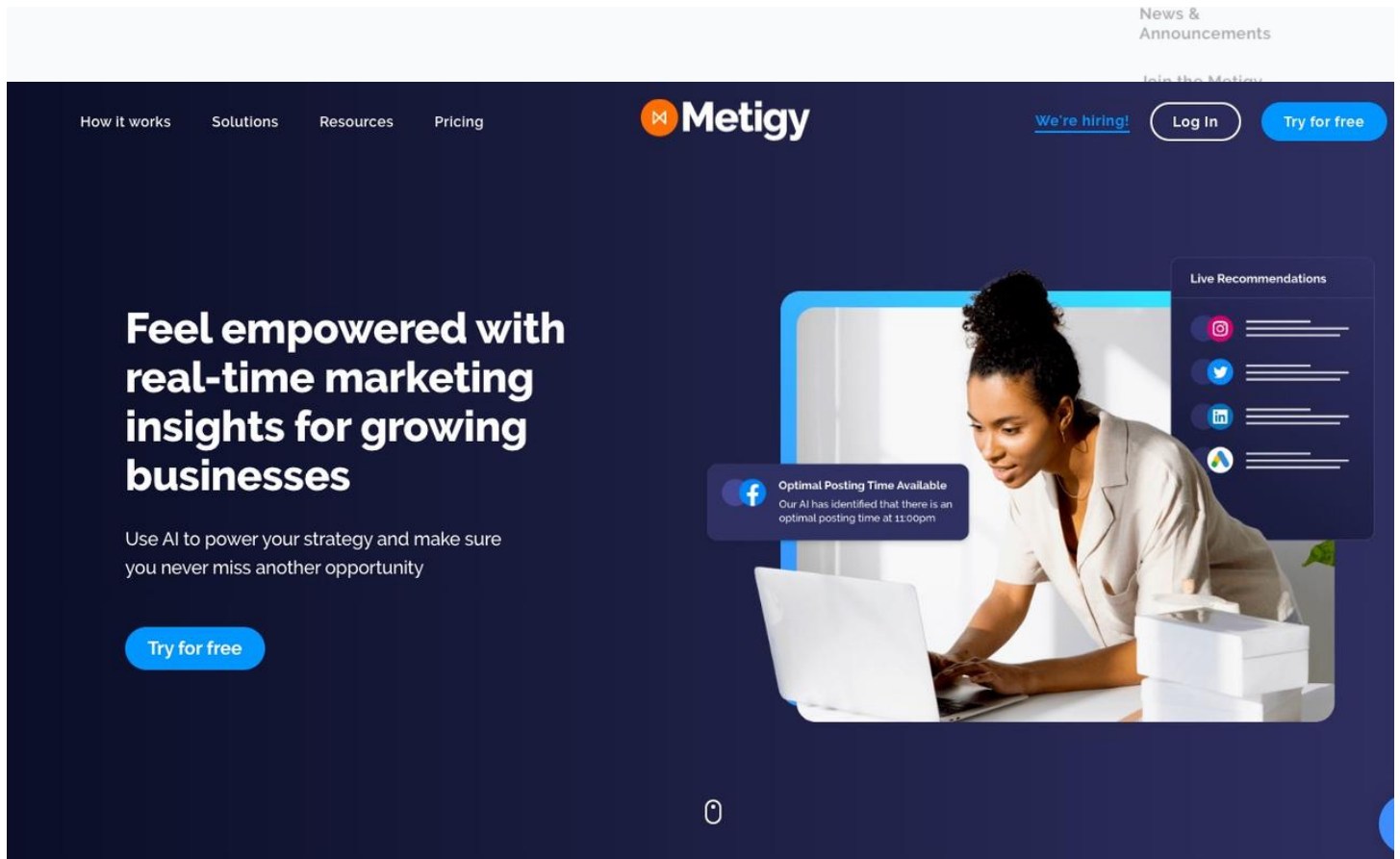
A day before Metigy collapsed, [a damning report from administrators](#) filed with ASIC alleged the company had been trading insolvent for a “significant period of time”, since at least November 14 last year when its CEO and sole director loaned \$7.7 million to his firm to “complete a personal property settlement”.

Last week, prior to liquidation proceedings, the corporate regulator, ASIC, also revealed it was investigating Metigy.

At time of writing, Metigy’s website was still fully-functioning and they said they were still hiring for new positions.

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The screenshot shows the Metigy website header with navigation links: "How it works", "Solutions", "Resources", and "Pricing". The Metigy logo is prominently displayed, along with a "We're hiring!" link and a user profile icon. A large blue "Try for free" button is centered below the navigation. The footer features the Metigy logo and three columns of links: "PRODUCT" (How it works, Pricing, Support, Product update), "RESOURCES" (Metigy Learning, Partnerships), and "COMPANY" (About Metigy, Culture, Meet the Team, Careers). A "We're hiring!" button is also present in the footer.



A screenshot of Metigy's working website.

Metigy made just \$61,000 in sales in the past financial year, according to the report.

An estimated 75 staff members have lost their jobs because of the company's demise and they are cumulatively owed \$2.5 million.

In fact, [The Sydney Morning Herald and the Age](#) reported that a whistleblower working at Metigy flagged the situation to investors, which ultimately caused the firm to be placed into voluntary administration.

The company's director has also been put under a spotlight, with the administrators placing a caveat on two of his properties which essentially freezes them.

He owned a six-bedroom, five-bathroom house in Mosman, on Sydney's lower north shore, purchased for \$10.5 million in September last year and a NSW south coast property with a pool and tennis court, bought for \$7.7 million in November.

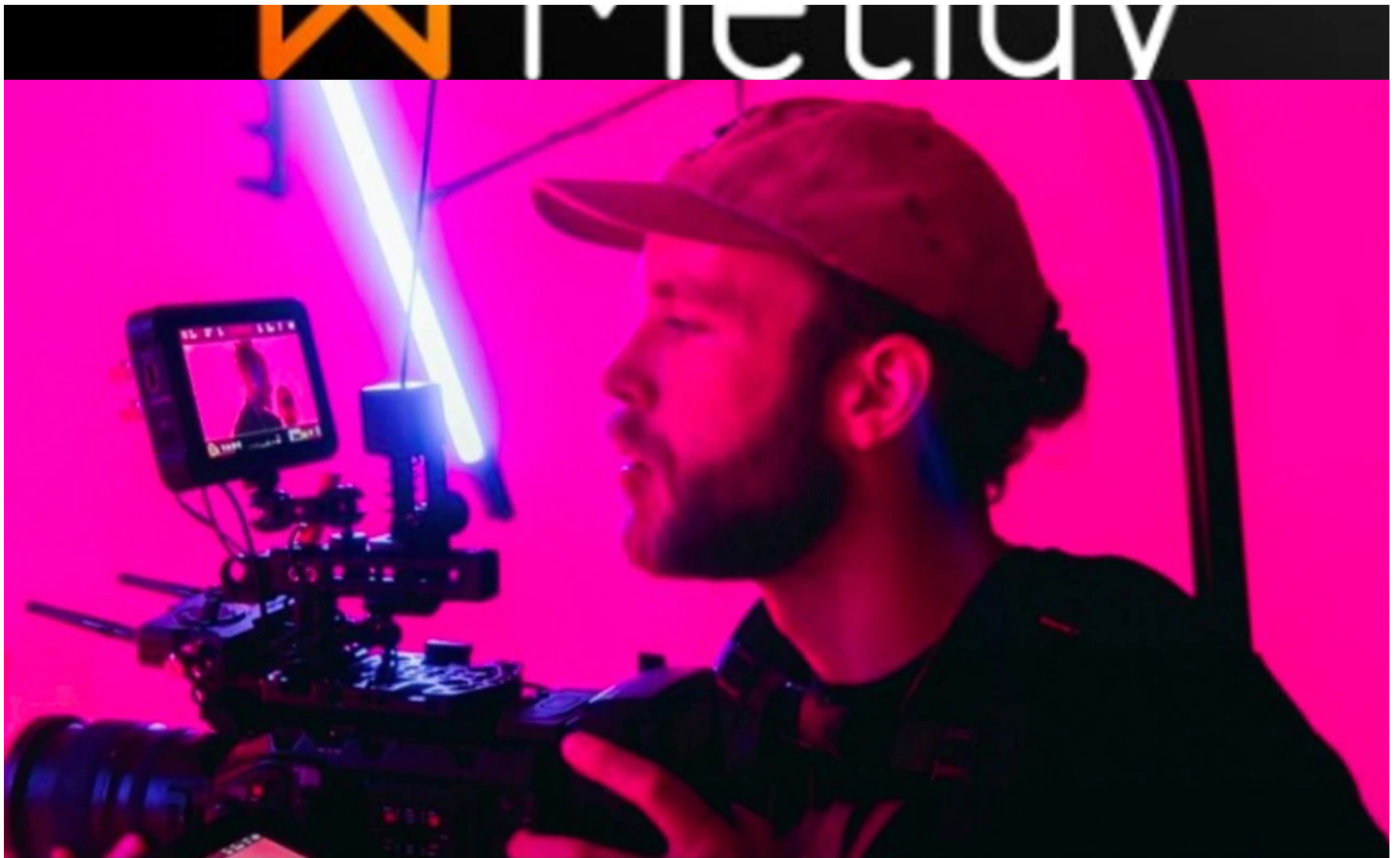
However, waning house prices mean that the administrators estimate those properties have lost value since their purchases, estimating there was around \$3.7 million in equity across the two homes.

Metigy had planned to raise money with a valuation of \$1 billion earlier this year as it offered an artificial intelligence platform that provided insights into customers for small business marketing.

But administrators said a number of factors led to the company's collapse including "poor strategic management", "under capitalisation and inability to raise additional capital", "inadequate cash flow or high cash use", "trading losses", and "unreasonable director-related transactions", its report said.

News.com.au has contacted the now-liquidators for further comment.





It then went into liquidation late on Friday. Picture: Metigy's Instagram

Tech companies are struggling across Australia as investors have been left spooked by dramatic plunges in valuations making funding harder to find.

The latest tech outfit to be impacted was a Melbourne-based e-sports company called Order, [which raised \\$5.3 million](#) in funding last year, but collapsed late last month with liquidators seeking to sell the business urgently.

In July month, Australia's first ever neobank founded in 2017, Volt Bank, went under with [140 staff losing their jobs](#), while 6000 customers were told to urgently withdraw their funds.

Other failed businesses include grocery delivery service Send, which went into liquidation at the end of May, after the company [spent \\$11 million in eight months](#) to stay afloat and a Victorian food delivery company called [Delivr that styled itself as a rival to UberEats and Deliveroo](#) also collapsed in July as it became unprofitable.

In July, [news.com.au raised questions about another Sydney-based tech firm, D365 Group](#), which builds software for health, real estate and accounting services.

Staff claim they haven't been properly paid for months and a contractor has taken the company to court saying his debts were not paid. D365 Group.

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