
— Street Talk

Metigy investors want to rule out foul play as 'for sale' sign goes up

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Down-and-out Metigy's investors want to see an urgent and independent review of the company's books, as they try to make sense of how a near unicorn could unravel so quickly.

It is understood investors want to see Metigy run a full audit, in order to determine whether financial malfeasance may have played a leading role in the marketing technology company's fall into administration.



Metigy's co-founders David Fairfull and Johnson Lin, pictured soon after closing a \$20 million raising in 2020.
Dominic Lorrimer

Investor sources said there was no way Metigy could have run out of money or been unable to raise fresh funds based on the numbers they were shown as recently as May, when they were in talks with the company about another funding round and a \$1 billion-odd valuation.

While the fundraising environment for tech companies had weakened considerably, they were questioning whether forecast and historical financial numbers they were shown were accurate, and what the board had done to prevent the situation.

Investors were shocked Metigy went into administration on Friday night

[<https://www.afr.com/street-talk/marketing-tech-business-and-ipo-hopeful-metigy-hits-the-skids-20220801-p5b65f>], as were the company's 75 staff who were let go on Monday.

One staff member claimed employees had not been paid for the past month, including super, and were directed to the government's Fair Entitlement Guarantee scheme to make a claim for funds.

Simon Cathro and Andrew Blundell of Sydney boutique Cathro Partners were appointed administrators and were working with some of Metigy's management to put together the pieces.

In a statement on Tuesday, Cathro's partners said they were investigating a sale of the company's assets and intellectual property and seeking a "quick resolution".

Fire sale

"We are exploring the urgent sale of Metigy's assets and intellectual property as part of the voluntary administration process and consider a sale could be an outcome in this process," the statement said.

They gave no reason why Metigy went into administration. Cathro was not answering calls on Tuesday.

David Fairfull, a serial entrepreneur that was Metigy's co-founder/CEO and a substantial shareholder, was listed as the company's sole director and secretary in ASIC filings. He could not be reached on Tuesday.

Fairfull and Johnson Lin founded the company in 2015, and raised more than \$25 million from external investors including Five V Capital and Thorney Investment Group. Melbourne firm Cygnet Capital oversaw a funding round in 2020, introducing a handful of institutions to the company/

[<https://www.afr.com/technology/marketing-ai-start-up-metigy-raises-20m-as-covid-helps-growth-20201118-p56fqo>]

A recent presentation from one of its investors said Metigy had grown revenue at more than 300 per cent in both the 2020 and 2021 financial years, and had more than 25,000 clients across 92 countries.

The company provides small businesses with a platform that can give them insights on potential customers for marketing purposes. It had about 30 investors, according to documents filed with ASIC.

ASIC obligations

Australia's corporate regulator, ASIC, declined to comment when asked if it was involved in the administration. Australia's insolvency laws give administrator Cathro Partners full access to Metigy's records and staff, and will oblige it to report anything suspicious to ASIC.

The situation comes amid a stark change in fundraising conditions for private and public technology companies, both in Australia and offshore, causing tech companies to rein in spending and cut jobs.

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