

CASE STUDY

Propello Cloud uses its IP value to secure £250,000 NatWest loan



About Propello Cloud

Propello Cloud is a Manchester-based scaleup which has developed a proprietary software platform that allows business-to-business and business-to-consumer client companies to easily build and implement their own fully branded “plug-and-play” rewards and partnership programmes. This adds value for the clients’ end-customers and reduces churn. Users include retailers, financial services providers, insurers, telecoms companies, utilities, health and fitness operators, and membership bodies.

The business was founded by CEO Mark Camp and COO George Charlesworth as a spin-out from integrated marketing agency Workhouse in 2020.

The challenge

The company wasn't actively looking for funding; but when CEO Mark Camp heard about the NatWest IP-backed loan, he realised it could help free up some cash in the business and accelerate expansion plans.

As a customer loyalty platform operator, the company has significant cash tied up in rewards such as vouchers which it effectively holds temporarily on behalf of clients. Mark Camp says: “I heard about the NatWest IP-backed loan at an event in Manchester, which I had been invited to by our NatWest Relationship Manager, Fiona Bermingham. I realised that the loan could help us right now, freeing up cash without our having to do another equity funding round.”

Mark observes: “In the last year, we've really seen significant growth and working with global clients such as JD Sports, Lebara Mobile, and HelloFresh is testament to the effectiveness of our solution. However, working with large clients like these requires investment – there's both

human and technology overheads. The funding we've secured from NatWest won't just go on growth in sales and marketing support, it will allow us to invest in our product and bring in extra developers to build our roadmap, drive competitive advantage and think about things like AI.” Camp expects to recruit five new staff, increasing total headcount to more than 20.

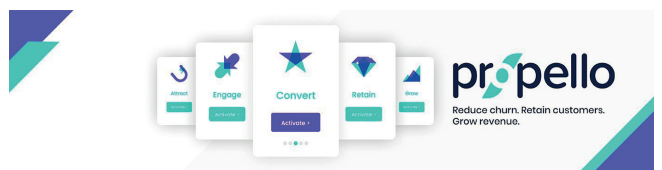
The NatWest High Growth IP-backed loan was launched in January 2024 in partnership with IP evaluation experts Inngot. Loans for IP-rich scaleup SMEs start from as low as £250,000 and go up to £10m. Loans are secured against up to 50% of the value of the firm's qualifying intangible assets, as determined by Inngot's sophisticated IP identification and valuation toolkit. Using Inngot's online IP identification and valuation tools platform keeps costs low. This means small loan sizes become competitive, opening up IP-backed finance for SMEs and scaleups. The IP-backed loan targets growth companies which are rich in intangible assets, but have few tangible assets, making it difficult for them to get traditional lending from banks. Software, patents, copyrights, trademarks, registered designs and other intangibles can be valued and used as collateral.



Hugh Godsall
CEO



“The perfect sort of stepping-stone funding, allowing us to get the money to grow without having to have another funding round and founders or existing investors having to sacrifice any more equity at this point. This is absolutely the best solution for companies that won't traditionally get standard debt – and the cost of getting the IP-backed loan is cheap money in this day and age. Plus, if we further invest in our IP, there is the potential to use the added value to borrow more if we want in the future.”



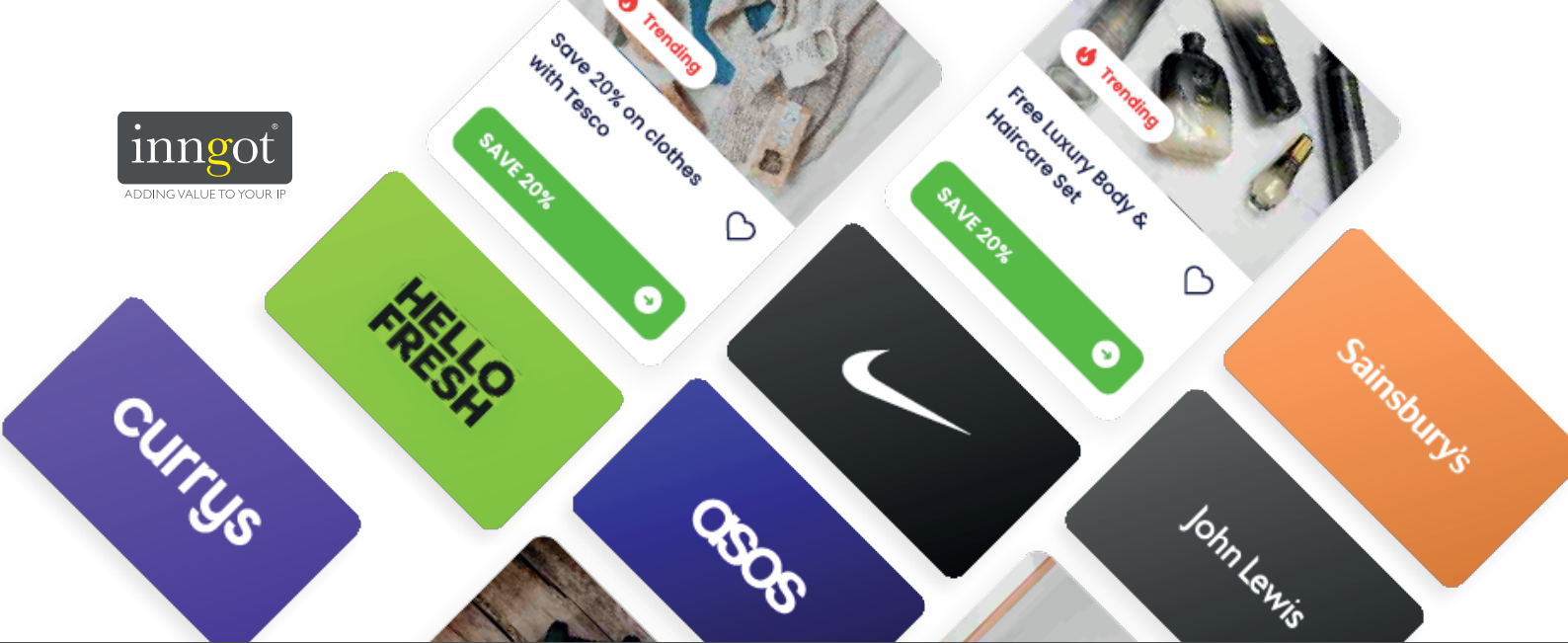
info@inngot.com
www.inngot.com



Urban Village, 221 High Street,
Swansea, SA1 1NW, United Kingdom



+44 (0) 333 800 80 90



CASE STUDY




Propello Cloud uses its IP value to secure £250,000 NatWest loan

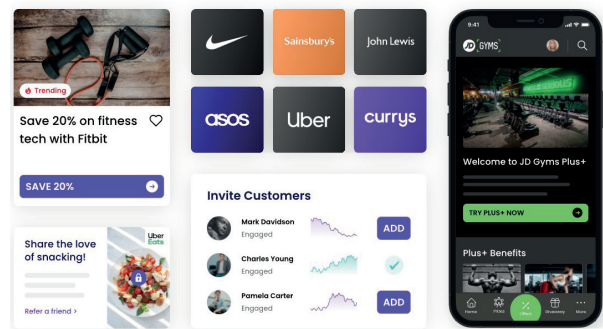
The solution

As part of the loan application for the IP-backed finance proposition, NatWest requires applicants to validate their IP and intangibles using Inngot's online identification, valuation and collateral suitability tools. This results in a recommended prudent loan-to-value figure which the bank can base its final decision on.

Total cost for identifying, valuing and then checking the suitability of IP as collateral for a loan through Inngot's platform is fixed and is less than £1,000. The customer also pays a one-off upfront monitoring fee equating to 0.4% per year (including VAT), to cover necessary due diligence checks on the IP over the lifetime of the loan, including annual IP revaluations. These revaluations are designed not just to flag up potential issues – if IP value is impaired in some way – but also highlight any increase in IP value, which could allow the client to borrow more. All charges are clearly set out in the NatWest terms and conditions.

Mark Camp sees the new IP-backed loan as “the perfect sort of stepping-stone funding, allowing us to get the money to grow without having to have another funding round and founders or existing investors having to sacrifice any more equity at this point. This is absolutely the best solution for companies that won't traditionally get standard debt – and the cost of getting the IP-backed loan is cheap money in this day and age. Plus, if

-  **Goldseam®**
IP identification tool
-  **Sollomon®**
IP valuation tool
-  **Hallmarq**
Collateral suitability tool



we further invest in our IP, there is the potential to use the added value to borrow more if we want in the future.”

He adds: “NatWest’s support, through our Relationship Manager Fiona, and Inngot’s support as we were going through their online tools, were pretty seamless. I filled in most of the questions myself, with a bit of input from our finance director.”

Fiona Bermingham, NatWest Senior Relationship Manager based in Manchester, says: “It’s great to be able to support a growing business that traditionally we haven’t been able to fund. We’ve managed to reduce the cost of capital they were offered from external funders from 19% to 8%, which has saved the business money at a crucial point in their growth.”

The result

£250,000 loan approved

Propello Cloud successfully negotiated a £250,000 finance package from NatWest, using its IP as collateral.



Fiona Bermingham
Senior Relationship Manager
NatWest

“It’s great to be able to support a growing business that traditionally we haven’t been able to fund. We’ve managed to reduce the cost of capital they were offered from external funders from 19% to 8%, which has saved the business money at a crucial point in their growth.”



info@inngot.com
www.inngot.com



Urban Village, 221 High Street,
Swansea, SA1 1NW, United Kingdom



+44 (0) 333 800 80 90