

# INNEON

## Success Stories

### Smart Biosystems in a nutshell:

Smart Biosystems UK (SBS UK) is a specialist small-scale anaerobic digestion (AD) solution developer and operator that deploys an innovative business model adapted from other renewable energy (RE) technology sectors in order to deliver value for the farmers that use AD, the project financiers that fund the AD plants, and for equity investors in SBS UK.

The company offers standardised turnkey combined heat and power (CHP) installations, using proven high-end German and Italian engineering. The company's technology offering seeks to minimise technology risk and eliminate common barriers to deployment. These include the need for planning consents, capacity constraints in grid connectivity, and the need to supplement organic waste with food and conventional energy crops to make projects economically attractive.



The company is investing heavily in R&D in order to build competitive advantage and access new markets. The company was awarded £131,000 in R&D grants (Eastern Agritech Fund, ADAPT+, Evalu8) to develop a new Hydrolyser modular component which increases (based on lab results) the biogas yield of the system by 30% and can be retrofitted to any AD plant. Furthermore the team has developed its own plant control software based on an open source platform.

SBS has agreements in place with technology suppliers, including LIPP GmbH, and Gruppo AB both leaders in the respective fields. The SBS UK system which is based on these technologies, has been proven over several years of operation in Italy, and has been the subject of an independent due diligence report prepared by Grontmij.

SBS UK has partnership agreements in place with multiple organisations with preferential agricultural sector market access. To date, these re-sellers, who are incentivised to identify farmers with a potential interest in the SBS UK solution, have generated 3+7 active projects and a further 20+ warm leads, with significant further potential.

The company anticipates having its first project live in Q2 2016. Despite the losses in the first two years, SBS expects gross profit for 2016/2017 of more than £750k, further invest of £150k in R&D, 2-3 full time employees and 6 more plants into planning.



## The origin of Smart Biosystems

The Founder and Managing Director of SBS, Ypatios Moysiadis, has significant international experience in business development and commercial delivery of a broad range of new and renewable energy projects, ranging from micro-generation to large scale installations of solar PV, wind and biomass.

In the context of this work, Ypatios encountered farmers and others in the agricultural sector, and become aware of the challenges that they face in managing waste, and of the inadequacies of current anaerobic digestion (AD) offerings. He realized that a combination of standardized, and therefore low cost technologies, and innovative commercial constructs that exploit small scale investment, as well as renewable energy and waste management incentives, could overcome these problems. Furthermore, he was introduced to individuals seeking to develop and prove innovative new AD related technologies that could further enhance this proposition.

Ypatios assembled a team, put in place the partnerships, and formulated the innovative technology and commercial construct that lies behind SBS. As a result, SBS was incorporated in April 2014 and incubated at St. John's Innovation Centre in Cambridge.

### ENTREPRENEUR

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## The INNEON effect

Most of INNEON's input to SBS was bespoke, including seeking access to, and pitching to potential investors; opening doors that might otherwise not have been open. INNEON approached a number of other investors on SBS' behalf not all of whom had an interest in the company, but many of whom gave useful feedback for subsequent presentations to potential investors.

INNEON provided preferential access to a UK Business Angel event, which provided useful insight into the interests and expectations of potential investors, as well as relevant connectivity. INNEON was also instrumental in organizing for SBS to pitch to the Anglia Capital Group, with whom the company has ongoing relations.

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## Already recognized

SBS UK secured £3.6 million in risk and construction finance for 2015/16 from Clean Energy Investments, for the construction of 3 plants. Further £20m of roll-on finance for the future pipeline of projects has also been agreed. This agreement guarantees SBS UK a risk free development capital and a minimum 25% engineer, procure and commission (EPC) margin on the AD plant. Furthermore SBS UK secures an ongoing O&M contract for 20 years, worth approximately £50,000 / annum / plant.

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**More info about the company:  
[WWW.SMARTBIOSYSTEMSUK.COM](http://WWW.SMARTBIOSYSTEMSUK.COM)**