



MEDIA RELEASE



Smart Sparrow targets Next Generation Learning after securing first Round of Funding

Sydney, December 16, 2011 –Smart Sparrow Pty Ltd, have today announced it has secured a significant round of venture capital investment to accelerate the commercialisation of its proprietary online Intelligent Tutoring e-learning platform.

Smart Sparrow, a company incubated within the University of New South Wales' Faculty of Engineering, was originally identified by Uniseed. OneVentures then led the funding round with Uniseed investing alongside the OneVentures Innovation Fund. Smart Sparrow will utilise the capital injection to enhance platform capability and further pursue market adoption of their state-of-the-art technology.

Smart Sparrow founder, Dr Dror Ben-Naim said the future of education is learning environments that adapt to the individual student as they progress through coursework and where each student receives rich interactive feedback as if sitting one-on-one with their teacher.

“While students work, Smart Sparrow’s adaptivity engine models their knowledge and learning style, so that it can personalize the teaching, specific to their learning.

“We are delighted to have received such strong interest in the technology with recognition not only from Australian venture capitalists but also internationally,” Dr Ben-Naim said.

OneVentures Managing Partner, Dr Michelle Deaker said OneVentures had identified education as a sector that would see substantial growth, disruption, globalisation and innovation over the next decade.

“The OneVentures Innovation Fund is looking for investments with global potential and large addressable markets. We were impressed by the Smart Sparrow team, the technology and the potential of the company in servicing the rapidly growing e-learning market expected to exceed \$50 billion in 2011.”

Smart Sparrow was founded in 2010, following seven years of research and development by Israeli-Australian PhD graduate Dror Ben-Naim. While within the University of New South Wales, the technology became successfully incorporated into the teaching programs of over 60 academics and used by 15,000 students annually. Hundreds of adaptive modules are now in use in subjects ranging from pathology and science labs through to music and business. Adoption of the platform has enabled the university to reduce costs, provide a richer learning environment and improve student performance and classroom success rates.

Uniseed Investment Manager, Dr David Rowe, said Uniseed recognised the potential of the technology and looked to partner with venture capitalists who had the requisite experience and international networks to help drive the business and mentor the founding team of the company.

“The platform developed by Smart Sparrow represents the next generation of educational technology. The cloud-based platform is stable, scalable and proven with modules in operation now in 5 of the 8 top tier Australian Universities, as well as first international customers.”

University of New South Wales Deputy Vice-Chancellor (Research), Professor Les Field AM said venture capital played a crucial role and was recognised globally as an essential building block in the innovation ecosystem.

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“In many respects, it is the missing link between university funded research and commercial outcomes that benefit the economy, make workplaces more productive and create new jobs. The University is delighted to see Smart Sparrow attract substantial venture capital funding to further its commercial operations” said Professor Field.

Professor Field also commented that there is a growing need, particularly in higher education, for institutions to take a global view of their provision of educational services and learning, expand their student numbers and yet also find ways to customise the learning experience to individual students. In a wired world, coupled with ubiquitous mobility, educational institutions must adopt new technologies that allow them to teach anyone, anywhere and anytime.

Dr Ben-Naim said they had seen significant engagement from students accessing the platform.

“As academics build their content into the platform, learning outcomes are enhanced and the teacher can monitor progress of the student through all stages of the course,” he said.

Dr Deaker commented that a key focus of the NBN would be delivery of educational training and vocational services into regional areas of Australia through online education programs.

She also noted that the Asia-Pacific region was growing rapidly in wealth yet was unable to adequately meet the demands for educational services, which would provide significant opportunity for Australian institutions.

“Lack of or access to qualified educators means that more scalable education models are required which will be underpinned by technology. Intelligent Tutoring Technology, such as that of Smart Sparrow, will be essential as the platform enabler of these future learning environments.”

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For more information about the stakeholders including contact details see the listings over the page.

About Smart Sparrow – www.smartsparrow.com

Smart Sparrow Pty Ltd is a venture-backed next-generation e-learning company that is transforming the way teachers and students are using technology to enhance learning. The company's shareholders include New South Innovations, Uniseed and the OneVentures Innovation Fund.

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About OneVentures - www.one-ventures.com

OneVentures is a venture capital firm that invests in emerging Australian companies with differentiated products in the information technology, life sciences and clean technology sectors. The OneVentures Innovation Fund invests in research driven technology companies targeting an expanding global market. OneVentures is managed by a team of partners with a track record of hands-on business execution and operational management: a unique blend of highly successful entrepreneurs, technology business founders and corporate executives with a strong scientific pedigree, extensive off-shore experience and networks (their achievements include exits via M&A \$30million to NASDAQ listings US\$350million). This skill-set makes the team ideally suited to supporting and mentoring entrepreneurial management to help them drive growth and create value in their companies and subsequently, through leveraging collective experience, reduce portfolio company risk and enhance portfolio returns for OneVentures' investors. In the past year, OneVentures has reviewed over 450 companies and recently completed one of Australia's largest first-round financings (\$15M) through syndication with a top tier US VC firm.

The OneVentures Innovation Fund is a \$40 million venture capital fund raised in 2010 and formed as an Early Stage Venture Capital Limited Partnership. OneVentures is supported by the Australian Government through the IIF program with this funding matched by institutional investors, individual high net worth investors and family offices. The Fund returns are tax free on income and capital account for national and international investors. The IIF is an Australian Government venture capital initiative that provides investment capital and managerial expertise through licensed venture capital fund managers to investee companies.

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About Uniseed - www.uniseed.com

Uniseed is a \$60 million commercialisation fund operating at the Universities of Melbourne, New South Wales and Queensland. Apart from these three universities, AustralianSuper, one of Australia's largest and best performing industry superannuation funds, is also a member. Uniseed has made over 30 investments in technologies arising from its three partner universities including Vintela (AVCAL Best Early-Stage Deal 2005) and QRxPharma Ltd (largest biotech IPO in ASX history).

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About New South Innovations - www.nsinnovations.com.au

NewSouth Innovations Pty Limited (NSi) is the knowledge exchange and commercialisation company of the University of New South Wales. NSi's mission is to drive the outputs of UNSW research into use in the economy and society. NSi aims to make it easier for organisations to engage with the University and to gain access to the high quality inventions and innovations being developed at UNSW.

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