



Sparks – The SME Stock Exchange

What is Sparks?

Sparks, the SME segment of SIX Swiss Exchange, is aimed at entrepreneurs and owners wishing to lead their SME through its next growth phase and significantly advance their business. The proportionate listing requirements for issuers are tailored and balanced to the needs of SMEs and their investors, all the while ensuring that

only first-rate SMEs are admitted to Sparks. Companies admitted to Sparks are subject to the same maintenance requirements as in the main segment, thus ensuring the highest levels of quality, transparency and investor protection.

Advantages for SMEs



Benefit from the public capital market

SMEs enjoy the full benefits that public capital markets offer, such as faster and more efficient capital raising, greater resilience, a broader/more diverse shareholder base, greater credibility, and increased brand visibility towards clients, business partners, and employees.



Optimize trading and the liquidity of your shares

Benefit from increased visibility towards investors thanks to more relevant peer sets and a trading model that has been optimized for shares of companies with lower market capitalization, which means improved price formation and trade execution for your investors.



Increase your brand awareness

Sparks offers SMEs the chance for publicity and news coverage starting on day one when the company goes public and for as long as it is listed.

Your investors benefit too



Access to new investment opportunities and potential attractive returns

Get access to new shares listed on the SIX Swiss Exchange of young, fast-growing SMEs and participate in their growth value creation.



Highest levels of investor protection

Benefit from a regulated stock exchange segment with corresponding levels of supervision, guaranteeing the highest standard of transparency at all times.



Improved liquidity and state-of-the-art trading technologies

With the new trading model, which has been optimized for SMEs, you also benefit from improved price formation and order execution. Everything is fully automated, transparent, fast and secure – just like in the main segment.

Main features of Sparks

The requirements ensure that SMEs can make optimal use of public capital markets by enabling there is a smooth flow of information between the SME and its investors. All requirements are tailored and balanced to the needs of SMEs and their investors. The trading model is designed specifically for companies with a lower market capitalization and allows investors best-in-class order execution.

A clearly defined transfer process also ensures that Sparks SMEs can switch to the main segment once they have grown to a certain level.

In Switzerland, there is of course a well-functioning capital market ecosystem, which supports companies in going public and throughout their life as a listed company. SIX plays an active role in strengthening this ecosystem – and will continue to do so going forward.

Just a few of our latest initiatives:



The **“Sparks IPO Academy”** is an exclusive training program, which lasts six months and helps IPO candidates check whether they are prepared for their IPO and gets them ready to take the next steps towards an IPO.



The **“Capital Market Catalog”** helps start-ups, scale-ups, IPO candidates and listed companies find the most important capital market service providers and compare the products and services they offer.



The **“Stage-Program”** offers smaller, listed companies independent research coverage from Baader, UBS und ZKB.



The **“E-Learning Platform”** prepares IPO candidates for the regulatory requirements they will face as a publicly listed company and helps them stay up to date.

Sparks case study

On 11 February 2022, Swiss portfolio company Xlife Sciences, which specializes in the development and commercialization of promising early-stage research projects at universities and other research institutions in the healthcare sector, became the first company to be listed

on Sparks. By switching from the unregulated exchange in Munich to the regulated market in Switzerland, the company has been able to make itself more accessible to institutional investors, boost its share liquidity and further increase brand awareness.



More detailed information about Sparks can be found at www.six-group.com/sparks

How Sparks makes public markets even more advantageous for SMEs

Requirement	SIX Main equity market	SIX Sparks (SME segment)	Benefits of Sparks for SMEs and their investors
Track record	> 3 years (exceptions possible)	> 2 years (exceptions possible)	– Easier access for younger companies
Equity capital requirement	> CHF 25 m	> CHF 12 m	
Capital increase requirement	–	> CHF 8 m (if equity capital < CHF 25 m)	– Higher quality peer set of smaller companies
Max. market capitalization at time of listing	–	< CHF 500 m	– Greater visibility for smaller companies – More relevant peer sets for smaller companies
Max. market capitalization after listing	–	< CHF 1.0 bn (transfer to SIX main equity market if average over last 12 months > CHF 1.0 bn)	
Freely tradable shares (of the outstanding shares)	> 20 %	> 15 %	– Greater flexibility to optimize ownership structure for younger companies
Market capitalization of freely tradable shares	> CHF 25 m	> CHF 15 m	
Minimum number of investors	–	> 50 investors	– More effective pricing and order execution for shares of companies with lower market capitalization
Trading hours	– Opening auction at 9.00 a.m. – Continuous trading until 5.20 p.m. – Closing auction and "TAL" until 5.40 p.m.	– Opening auction at 3.00 p.m. – Continuous trading until 5.20 p.m. – Closing auction and "TAL" until 5.40 p.m.	
<ul style="list-style-type: none"> – Same listing prospectus requirements (incl. same content) – Same regulatory oversight – Same reporting requirements: Annual (audited) and semi-annual (unaudited) financial reporting; corporate governance reporting (Sparks issuers can use a special template to complete their Corporate Governance reporting); disclosure of shareholdings, management transactions and events that could affect the share price (ad hoc publicity) 			<ul style="list-style-type: none"> – Faster and more efficient access to capital thanks to listing standard and high levels of investor protection, transparency and supervision – Flexible financing via equity capital increases and access to debt capital markets

All listing requirements must be met at the time of listing (first trading day).

The content and opinions provided on this microsite are made available exclusively for information purposes. They may be changed at any time without prior notice and SIX assumes no responsibility for their accuracy, completeness or timeliness. None of the information on this microsite constitutes investment advice or advice on tax or legal matters, nor does it constitute an offer, a solicitation of an offer or a recommendation to buy or sell investment products/financial products or enter into transactions of any kind. The information cannot replace consultation with an independent professional advisor. SIX may not be held liable for damages or losses resulting from actions which were undertaken on the basis of the information contained on this microsite.