

# Norron's Multibagger

Stockholm (HedgeNordic) – Investing directly into unlisted privately-held businesses can sometimes be more lucrative than investing in publicly-traded businesses. Swedish asset manager Norron Asset Management, for instance, has seen its first unlisted holding – Norwegian clinical-stage biopharmaceutical company Vaccibody – surge in value by approximately 2,000 percent since investing in the company in December 2016.

Norron Asset Management, which now owns about 1.4 percent of Vaccibody across its long/short equity funds – **Norron Select** and **Norron Target** – and its recently-launched long-only equity fund **Norron Sustainable Equity**, first invested in the Norwegian biotech company in December 2016. “This holding was the first one we invested in using our unlisted holding strategy,” writes the team at Norron. “The reason for our initial investment was the very promising fundamental research that the company was able to present at that stage in the pre-clinical phase concerning personalized cancer vaccines.”

*“We are pleased that we have followed the company from unlisted holdings to listing on the OTC market, and as of this week, listing on the Merkur market, which is regulated by the Oslo Stock Exchange.”*

Norron's initial investment in Vaccibody amounted to NOK 45 million, with the Swedish asset manager selling out pieces of its investment over the years with a total worth of NOK 145 million. Norron existing ownership in Vaccibody, which just last week was listed on Oslo Stock Exchange's Merkur Market, is worth NOK 240 million and accounts for 1.4 percent of the company. “At present, we are pleased that we have followed the company from unlisted holdings to listing on the OTC market, and as of this week, listing on the Merkur market, which is regulated by the Oslo Stock Exchange,” Norron said last week.

*“What makes this particular investment extra special is the company's success in cancer treatment, which benefits many hard-hit patients and their loved ones.”*

According to the team at Norron, the Vaccibody investment generated a cumulative return of about 2,000 percent, which corresponds to an annualized return of 123 percent. “The above is of course extremely gratifying for us and our shareholders, but what makes this particular investment extra special is the company's success in cancer treatment, which benefits many hard-hit patients and their loved ones,” writes Norron. “Using Vaccibody's personalized cancer vaccine, studies on patients with developed cancer, who have been under long-term traditional cancer treatment, have shown significantly improved disease progression.”

“We want to highlight this investment to our customers and partners since it symbolizes much of what we want to achieve in our active management, namely to identify quality companies at an early stage, that can contribute significantly to our customers' returns, and through our support, are able to promote a positive development for society and business, in a range of different fields,” writes Norron.

Vaccibody is a clinical-stage biopharmaceutical company focused on the discovery and development of novel immunotherapies. Just recently, Vaccibody entered into an exclusive worldwide license and collaboration agreement with Genentech, a member of the Roche Group, for the development and commercialization of DNA-based individualized neoantigen vaccines for the treatment of cancers. Under the multi-year agreement, Vaccibody is set to receive up to \$715 million, including initial

upfront and near-term payments of \$200 million and potential milestone payments of up to \$515 million, as well as tiered royalties on sales of commercialized products.

*Photo by Thomas Brun / NTB*