



WEIFA ASA
FIRST QUARTER 2017 RESULTS
PUBLISHED 27 APRIL 2017

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Overview

Figures in brackets refer to the corresponding period of the year before.

Highlights

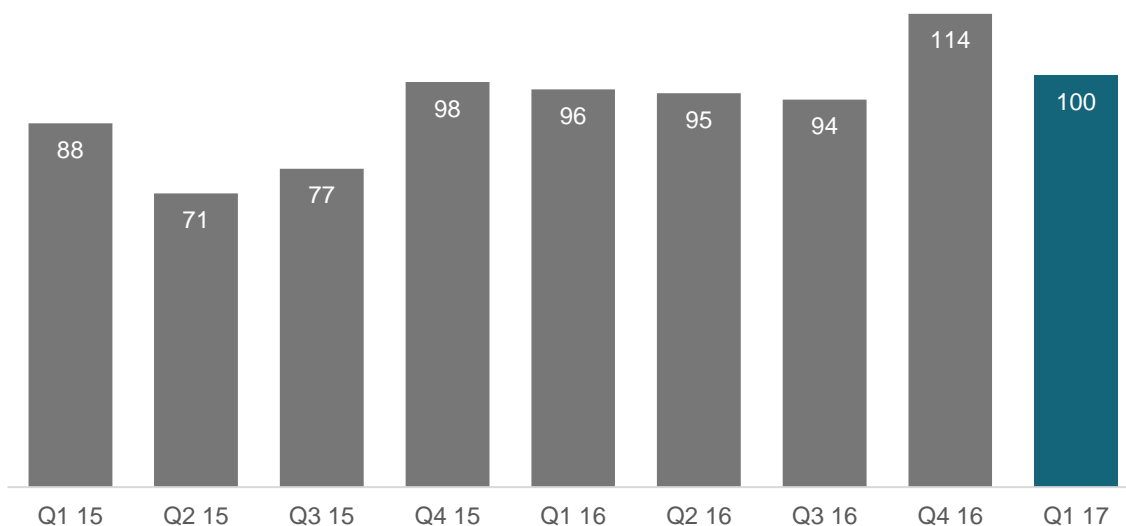
Financials

- Record first-quarter revenues of NOK 99.6 million (NOK 96.2 million)
 - ✓ All-organic growth of 3.6%
 - ✓ First-quarter adjusted EBITDA of NOK 22.2 million (NOK 21.9 million)
 - ✓ Adjusted EBITDA margin of 22.3% (22.8%)

Operational developments

- Strong brands secured revenue growth and high market shares in all main categories
- Product-line expansion through the launch of Paracetduo effervescent tablets and Nazamer Methol nasal spray

Consumer health revenues (NOK million)



Note: Historical figures represent reported revenue for the consumer health business in Weifa AS.

Key figures

Key financial information for Weifa ASA group

(NOK 1 000)	Q1 2017	Q1 2016	2016
Total revenue and income	99 585	96 153	399 738
EBITDA	21 243	16 463	80 352
EBITDA adjusted *	22 220	21 917	89 275
Profit/(loss) for the period	11 266	6 443	17 951
Earnings per share (NOK): diluted **	0.29	0.17	0.47
Total Assets	1 520 252	1 585 689	1 511 581
Net interest-bearing debt	257 733	263 148	284 342

* Adj. for employee options of NOK 1.0 million in Q1 2017. In Q1 2016 there are adjustments for the realisation of additional value in inventory recognised as part of the purchase price allocation on the acquisition of Cederroth (NOK 0.8 million), employee options (NOK 1.6 million) and cost in conjunction with the acquisition of Cederroth AS (NOK 3.1 million).

** 2016 numbers adjusted for reversed share split in July 2016 (ratio 25:1).

Financial review

The consolidated income statement presented in this report reflects the figures for the Weifa ASA group.

Weifa Derma AS (Asan) was consolidated in the group from January 2016. The company was merged with Weifa AS in the fourth quarter in 2016.

Figures in brackets below refer to the corresponding period of the year before. The figures are unaudited.

Weifa ASA group

Profit and loss first quarter 2017

Weifa had total revenues and other income of NOK 99.6 million (NOK 96.2 million) in the first quarter.

EBITDA was NOK 21.2 million (NOK 16.5 million) for the first quarter after NOK 1 million in the cost of employee options. The 2016 figure includes NOK 0.8 million in the realisation of additional value for inventory recognised as part of the preliminary purchase price allocation on the acquisition of Cederroth AS, NOK 1.6 million in the cost of employee options and NOK 3.1 million in costs related to the acquisition of Cederroth AS.

Depreciation and amortisation came to NOK 3.2 million (NOK 3.2 million) in the first quarter. Financial income was NOK 0.1 million (NOK 0.1 million), reflecting interest on bank deposits. Financial expenses came to NOK 3.4 million in the first quarter (NOK 4.8 million), which mainly reflected interest costs on the bank loan.

Weifa had a tax expense of NOK 3.6 million (NOK 2.1 million) in the first quarter.

Net profit for the first quarter was NOK 11.3 million (NOK 6.4 million).

Cash flow first quarter 2017

Net cash flow from operating activities was NOK 31.5 million (NOK 5.1 million) for the first quarter, reflecting increased revenue and a reduction in working capital during the quarter.

Net cash flow from investing activities was negative at NOK 1.7 million (negative at NOK 120.4 million). Net cash flow from investing activities in the first quarter of 2016 reflected the acquisition of Asan, which closed on 15 January.

Net cash flow from financing activities was negative at NOK 3 million (positive at NOK 46.8 million), reflecting interest paid in the period. Net cash flow from financing activities in the first quarter of 2016 reflected the sale of Weifa's holding of treasury bonds.

Financial position

Weifa had total assets of NOK 1 520.3 million (NOK 1 585.7 million) at 31 March 2017. Cash and cash equivalents amounted to NOK 94.5 million (NOK 133.4 million).

Equity at 31 March 2017 was NOK 1 106.7 million (NOK 1 126 million), giving an equity ratio of 73%.

Total interest-bearing debt amounted to NOK 352.2 million (NOK 396.6 million) at 31 March 2017, which mainly represented amounts drawn down under the new bank facility.

Nordic agreement for new pain product

Weifa announced a licensing agreement on 12 January 2017 for a new product line based on a patented fixed-combination pain management solution from AFT Pharmaceuticals in New Zealand. Weifa holds the rights to commercialise these products in the Nordic region, with the launch expected in the second half of 2017.

The product line consists of a patented fixed ratio of ibuprofen and paracetamol, and covers tablet, sachet and oral liquid formulations. The products are indicated for acute pain and fever conditions, and will be marketed under Weifa's own brand name.

This product line is unique to the Nordic market. It will strengthen Weifa's analgesic portfolio and support the company's Nordic growth strategy.

In the first quarter, Weifa paid an initial NOK 1.8 million for the licence rights.

Dividend

Weifa plans to pay excess cash as dividend to shareholders. When new acquisitions or other transactions emerge, the board will request shareholder approval of the transaction and any related financing.

The board has proposed a dividend of NOK 1.50 per share to shareholders. Final approval of the dividend will be determined by the AGM on 30 May 2017.

Operational review

Consumer health products can be divided into three market **segments**: OTC (non-prescription, drugs sold over the counter), Rx (prescription drugs) and OTX (vitamins, minerals, supplements and other non-registered OTC products). The Weifa portfolio consists of products in four **categories**: pain relief, cough & cold, nutraceuticals and dermatology. Weifa sells its products through the pharmacy and mass-market **channels**.

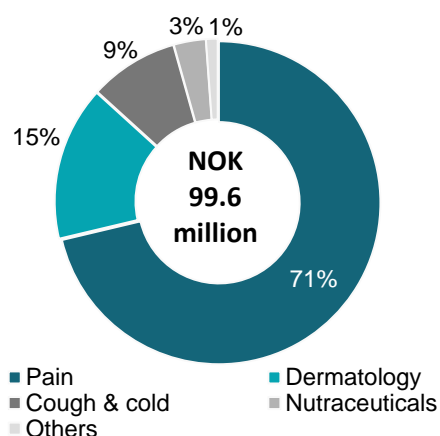
Consumer health revenues

Weifa had total revenues of NOK 99.6 million in the first quarter of 2017, up by 3.6% from NOK 96.2 million for the same period of 2016. The growth was driven by rising demand for the dermatology, cough & cold and pain relief categories.

This growth was all organic. The dermatology category included the acquired Asan portfolio from 1 January 2016.

As shown in the graph below, pain relief remained the dominant category in the first quarter, accounting for 71% of revenues. The dermatology category accounted for 15% and cough & cold for 9%.

Consumer health revenue split Q1 17



Source: Weifa

Revenues for Weifa's prescription pain drugs (Rx) declined by 2.1% in the first quarter of 2017 compared with the same period of 2016 owing to wholesaler destocking. Revenues for the pain portfolio as a whole increased by 2.7% from the first quarter of 2016 on rising demand, driven partly by the tail end of an early and lengthy influenza season.

Weifa's revenues in the cough & cold category for the first quarter of 2017 rose by 33% from the same period of last year. The launch of Nazamér mentol nasal spray in the quarter had a positive effect, as did Solvivo, the new OTC product for sore throats launched in September. Increased sales of Bronkyl, Tussin and Dexyl more than offset a decline for Weifa C.

Metformin sales declined in the first quarter as an effect of the termination of a pharmacy chain agreement in the second quarter of 2016. Sales of Zonat, the new Rx tablet launched during the third quarter of 2016 for short-term symptomatic treatment of occasional insomnia, increased sequentially. The effect was nevertheless limited, in line with expectations.

Nutraceuticals revenues decreased by 33% from the same period of 2016 owing to lower sales of the Complete product series, which was launched in one of the main pharmacy chains during the first quarter of 2016, and restocking effects. The decline more than offset an increase in sales of the Ferromax and Kalsium products.

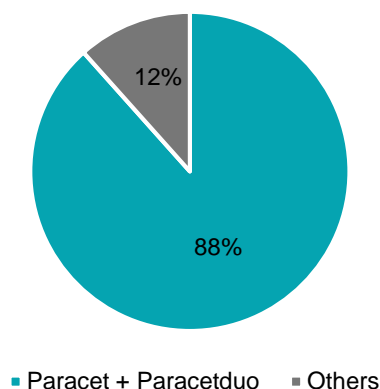
Revenues from the dermatology category increased by 7.1% from the same period of last year on increased sales of the Asan product line.

Market position

Weifa maintained its position as one of the leading OTC companies in the Norwegian pharmacy channel during the first quarter of 2017 as measured over the last 12 months (LTM). Weifa's market share was 15%, little changed from 2016.

The company maintained its position as market leader for pain relief. Measured by LTM volume, Paracet and Paracetduo had a combined market share of 88.4% (87.9%) in the paracetamol product segment.

Paracetamol LTM Q1 17 market shares*

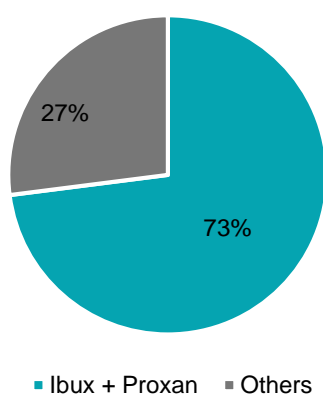


Source: Farmastat/Nielsen

* Market share by volume, 12 months rolling

Ibux and Proxan had a market share of 73% (73%) in the NSAID product segment over the same period.

NSAID LTM Q1 17 market shares*

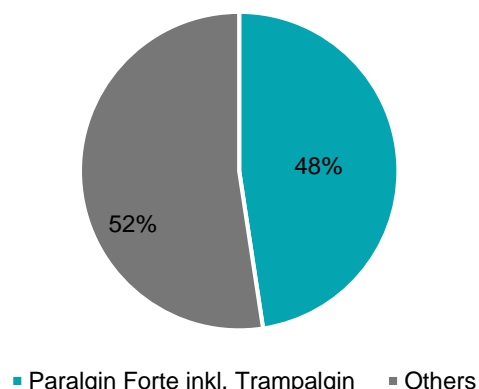


Source: Farmastat/Nielsen

* Market share by volume, 12 months rolling

Weifa strengthened its overall position in pain Rx (NSAIDs, paracetamol and opioids). Paracet Rx had a market share (volume over the LTM) of 75% (up from 72%), while Ibux Rx had a market share of 24.4% over the LTM (up from 23.8%). Paralgin forte and Trampalgin had a combined share of 48% over the LTM (up from 44%) in the market for opioids used to treat moderate pain.

Paralgin forte LTM Q1 17 market shares*

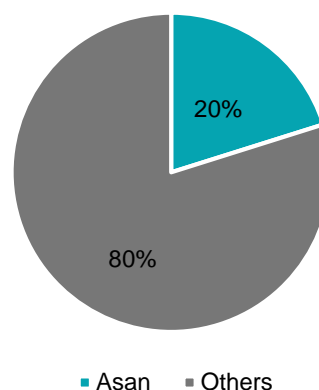


Source: Farmastat/Nielsen

* Market share by volume, 12 months rolling

The Asan portfolio had a 20% share of the Norwegian shower market in the first quarter of 2017 (21%), measured over the LTM. Asan had a market share of 73% (75%) of the intimate wash segment in Norway over the LTM when wet wipes are included. An increasing share of Asan products, as well as other shower and intimate wash products, is sold through channels not included in the statistics. This channel migration affects both data for market share and overall market growth.

Asan LTM Q1 17 market share shower*



Source: AC Nielsen

*Market share by value in Norway, 12 months rolling

Asan was the second-biggest category brand in the Norwegian shower market measured over the LTM.

Market developments

In the first quarter of 2017, the Norwegian OTC market grew over the LTM by 11% in the pharmacy channel and 5.3% in the mass-market channel measured by pharmacy purchasing prices.

Sales in the nonsteroidal anti-inflammatory drugs (NSAID) and paracetamol markets increased by 0.7% and 0.4% respectively in the mass market measured over the LTM. Sales of NSAIDs rose by 6.8% in the pharmacy channel measured over the LTM, while paracetamol sales increased by 7.8%.

The fastest-growing categories in the mass-market channel were nasal spray and anti-smoking, while cough and nasal spray showed the biggest increase in the pharmacy channel.

Weifa occupies a dominant position in the Norwegian pain relief category, and its product

development has helped to make it the fastest-growing company in the cough & cold category, with a compound annual growth rate (CAGR) of 27% for revenues from 2011 to 2016. In the cough segment, Bronkyl and Bronkyl forte had a market share of 21% in the first quarter measured over the LTM, up from 19% a year earlier.

The Rx pain segment (NSAIDs, opioids and paracetamol) grew by 8.9% over the LTM.

The market for both shower and intimate wash products declined by about 0.5% over the LTM in the first quarter of 2017. This figure does not take account of increased sales of shower and intimate wash products over the internet and by stores which are not currently included in industry statistics.

Outlook

Weifa will maintain its strategic priorities in 2017, with the emphasis on building the platform for Nordic expansion. A developed Nordic presence will increase the long-term growth potential along with gains from product innovation and by adding new categories to the company's portfolio of leading brands.

Weifa's consumer health business is expected to grow in line with the historical average rate of 2-

3% annually. In addition comes the effect of launching additional innovative products and geographical expansion.

The EBITDA margin is expected to improve gradually in a long-term perspective. Where 2017 is concerned, Weifa expects an adjusted EBITDA margin on a par with the 2016 level owing to geographical market expansion.

Share information

The company had 36 472 069 issued shares at 26 April 2017, divided between 3 772 shareholders. The 20 largest shareholders controlled 62.4% of the total number of outstanding shares.

Shares owned by the board of directors and management at 26 April 2017

NAME		SHAREHOLDING
BOARD OF DIRECTORS		
WATRIUM AS	1	4 716 282
HOLTA LIFE SCIENCES	2	1 824 392
CIPRIANO AS	3	80 000
MUTUS AS	4	60 000
ESPEN TIDEMANN JØRGENSEN (direct&indirect)		4 800
EXECUTIVE MANAGEMENT		
SIMEN NYBERG-HANSEN, CFO		80 001
KATHRINE G. ANDREASSEN, CEO		80 000
ASTRID T. BRATVEDT, VP R&D		40 000
OLE HENRIK ERIKSEN, COO		20 001
MORTEN H. SAND, VP SALES		15 010

- 1) Controlled by director Kristin L. A. Wilhelmsen
- 2) Represented by director Espen Tidemann Jørgensen
- 3) Controlled by chair Einar J. Greve
- 4) Controlled by director Tomas Settevik

Largest shareholders at 26 April 2017

NAME	SHAREHOLDING	% SHARE
WATRIUM AS	4 716 282	12.9%
EUROCLEAR BANK	2 496 566	6.8%
MP PENSJON PK	1 867 087	5.1%
HOLTA LIFE SCIENCES	1 824 392	5.0%
STOREBRAND VEKST	1 776 402	4.9%
HOLBERG NORGE	1 476 208	4.0%
KLP AKSJENORGE	1 233 205	3.4%
STOREBRAND NORGE	926 000	2.5%
VPF NORDEA AVKASTNIN	860 121	2.4%
KOMMUNAL LANDSPENSJO	810 059	2.2%
SOLAN CAPITAL AS	626 650	1.7%
VERDIPAPIRFONDET ALF	612 751	1.7%
MUSTAD INDUSTRIER AS	600 000	1.6%
TIGERSTADEN AS	517 364	1.4%
VPF NORDEA NORGE	483 721	1.3%
VPF NORDEA KAPITAL	439 717	1.2%
VERDIPAPIRFONDET DNB	411 607	1.1%
BORGEN INVESTMENT	373 647	1.0%
CAMACA AS	369 939	1.0%
ARCTIC FUNDS	353 299	1.0%
Total 20 largest shareholders	22 775 017	62.4%
Other shareholders	13 697 052	37.6%
Total number of shares	36 472 069	100.0%

Condensed interim financial statements

Consolidated statement of comprehensive income

(NOK 1 000)	Note	Q1 2017	Q1 2016	2016
Revenue		99 585	96 153	399 113
Other income		-	-	625
Total revenue and income		99 585	96 153	399 738
Cost of materials		42 548	44 801	178 861
Payroll expenses		10 436	10 247	45 593
Other operating expenses		25 358	24 642	94 932
Depreciation, amortisation and impairment	6	3 186	3 186	12 744
Operating profit/(loss)		18 057	13 277	67 608
Finance income		126	147	584
Finance costs		3 359	4 835	34 036
Profit/(loss) before tax		14 824	8 589	34 156
Income tax expense	5	3 558	2 146	16 205
Profit/(loss) for the period		11 266	6 443	17 951
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Reasurement of pension plans		-	-	273
Income tax effect		-	-	68
Total comprehensive income for the period		11 266	6 443	17 746
Earnings per share (NOK): basic		0.31	0.18	0.49
Earnings per share (NOK): diluted		0.29	0.17	0.47

Condensed interim financial statements

Consolidated statement of financial position

(NOK 1 000)	Note	31.03.2017	31.03.2016	31.12.2016
ASSETS				
Non-current assets				
Fixed asset		311	516	363
Intangible assets	6, 9	1 252 631	1 263 353	1 253 949
Deferred tax assets	5	83 178	101 127	86 736
Total non-current assets		1 336 120	1 364 996	1 341 048
Current assets				
Inventory		13 133	16 429	14 637
Trade receivables		73 525	69 180	81 525
Other receivables		2 979	1 646	6 662
Cash and cash equivalents	2	94 495	133 438	67 709
Total current assets		184 132	220 693	170 533
Total assets		1 520 252	1 585 689	1 511 581
EQUITY AND LIABILITIES				
Equity				
Share capital	3	273 541	273 541	273 541
Share premium		769 527	769 527	769 527
Other paid-in capital		13 906	10 183	13 224
Retained earnings		49 741	72 762	38 475
Total equity		1 106 715	1 126 013	1 094 767
Non-current liabilities				
Interest-bearing loans	7	347 644	391 859	347 508
Other long term interest bearing debt		-	4 727	-
Other long-term liabilities		5 195	6 372	5 420
Total non-current liabilities		352 839	402 958	352 928
Current liabilities				
Trade payables		21 480	21 633	28 176
Interest-bearing debt	8	4 584	-	4 543
Other current liabilities		34 634	35 085	31 167
Total current liabilities		60 698	56 718	63 886
Total liabilities		413 537	459 676	416 814
Total equity and liabilities		1 520 252	1 585 689	1 511 581

Statement of changes in equity

(NOK 1 000)	Share capital	Share premium	Other paid in capital	Retained earnings	Total equity
Equity as at 01.01.2016	273 541	769 527	8 604	66 319	1 117 991
Total comprehensive income	-	-	-	6 443	6 443
Share-based payment	-	-	1 579	-	1 579
Equity as at 31.03.2016	273 541	769 527	10 183	72 762	1 126 013
Equity as at 01.01.2017	273 541	769 527	13 224	38 475	1 094 767
Total comprehensive income	-	-	-	11 266	11 266
Share-based payment	-	-	682	-	682
Equity as at 31.03.2017	273 541	769 527	13 906	49 741	1 106 715

Condensed interim financial statements

Cash flow statement

(NOK 1 000)	Note	Q1 2017	Q1 2016	2016
Cash flow from operating activities				
Net profit/(loss) before income tax		14 824	8 589	34 156
Foreign currency (gains)/losses		68	(305)	(465)
<i>Non-cash adjustment to reconcile profit before tax to cash flow:</i>				
Estimated value of employee share options		682	1 579	4 620
Depreciation, amortisation and impairment		3 187	3 186	12 743
<i>Changes in working capital:</i>				
Changes in trade receivables and trade creditors		1 304	(6 466)	(12 268)
Changes in inventory		1 504	(1 209)	583
Changes in other accruals		6 717	(4 936)	(16 056)
Finance (income)/expense		3 233	4 688	33 452
Net cash flow from operating activities		31 519	5 126	56 765
Cash flow from investing activities				
Payment relating to purchase of licences	6	(1 817)	(9 250)	(9 250)
Acquisition of subsidiaries, net of cash		-	(111 307)	(111 307)
Interest received		126	147	584
Net cash flow from investing activities		(1 691)	(120 410)	(119 973)
Cash flow from financing activities				
Proceeds from borrowings (net)	7	-	-	346 500
Dividend paid		-	-	(45 590)
Sale/Purchase own bonds		-	51 250	(357 089)
Interest paid		(3 042)	(4 468)	(14 844)
Net cash flow from financing activities		(3 042)	46 782	(71 023)
Net change in cash and cash equivalents		26 786	(68 502)	(134 231)
Cash and cash equivalents beginning period		67 709	201 940	201 940
Cash and cash equivalents end period	2	94 495	133 438	67 709

Notes to the condensed interim financial statements

1. Basis of presentation

The financial information is prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34). This financial information should be read together with the financial statements for the year ended 31 December 2016 prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU.

The presentation of the interim financial statements is consistent with the annual financial statements.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the interim financial statements. If in the future such estimates and assumptions, which are based on management’s best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate for the period in which the circumstances change.

Segment reporting

Weifa is a dedicated consumer health company and is organised as one operating segment. The company currently has no material sales outside Norway and no segment information is therefore presented.

2. Cash

(NOK 1 000)	31.03.2017	31.03.2016
Cash at banks	92 211	133 438
Short-term deposits	2 284	-
Cash and cash equivalents	94 495	133 438

3. Issued shares and share capital

	Number of shares (1 000)	Share capital (NOK 1 000)
At 1 January 2016	911 801	273 541
At 31 March 2016	911 801	273 541
Reverse share split, July	(875 329)	-
At 31 December 2016	36 472	273 541
At 31 March 2017	36 472	273 541

4. Share options

Share option plan

	2017		2016	
	Number of options	WAEP (NOK)	Number of options	WAEP (NOK)
Outstanding at the beginning of the year	1 735 716	26.5	1 735 716	27.50
Outstanding at the end of period	1 735 716	26.5	1 735 716	26.50
Exercisable at the end of period	972 884	25.0	972 884	25.00

The share options have a term of three years, where one-third of the options are exercisable after 12, 24 and 36 months respectively. When the options are exercised, a number of shares with a value corresponding to 25% of the realised gain on the options are subject to a lock-up period of two years.

5. Taxes

A deferred tax asset of NOK 206 million at 31 March 2017 is shown net of a deferred income tax liability of NOK 122.8 million. The deferred tax asset mainly relates to tax losses incurred prior to the acquisition of Weifa AS.

6. Intangible assets

(NOK 1 000)	Licences*	Customer contracts/ relationships	Trade names	Trade marks	Goodwill	Total
<i>Cost</i>						
Cost at 1 January 2016	29 295	196 208	4 492	314 633	621 584	1 166 212
Purchase intangible assets *	-	28 325	-	54 570	32 745	115 640
Cost at 31 March 2016	29 295	224 533	4 492	369 203	654 329	1 281 852
<i>Cost</i>						
Cost at 1 January 2016	29 295	196 208	4 492	314 633	621 584	1 166 212
Purchase intangible assets *	-	28 325	-	54 570	32 745	115 640
Cost at 31 Dec 2016	29 295	224 533	4 492	369 203	654 329	1 281 852
<i>Amortisation and impairment</i>						
Accumulated amortisation at 1 January 2016	-	13 305	2 059	-	-	15 364
Amortisation charge for the period	-	2 761	374	-	-	3 135
Accumulated depreciation at 31 March 2016	-	16 066	2 433	-	-	18 499
Net book value 31 March 2016	29 295	208 467	2 059	369 203	654 329	1 263 353
<i>Amortisation and impairment</i>						
Accumulated amortisation at 1 January 2016	-	13 305	2 059	-	-	15 364
Amortisation charge for the period	-	11 042	1 497	-	-	12 539
Accumulated depreciation at 31 December 2016	-	24 347	3 556	-	-	27 903
Net book value 31 Dec 2016	29 295	200 186	936	369 203	654 329	1 253 949
<i>Cost</i>						
Cost at 1 January 2017	29 295	224 533	4 492	369 203	654 329	1 281 852
Purchase intangible assets**	1 817	-	-	-	-	1 817
Cost at 31 March 2017	31 112	224 533	4 492	369 203	654 329	1 283 669
<i>Amortisation and impairment</i>						
Accumulated amortisation at 1 January 2017	-	24 347	3 556	-	-	27 903
Amortisation charge for the period	-	2 761	374	-	-	3 135
Accumulated depreciation at 31 March 2017	-	27 108	3 930	-	-	31 038
Net book value 31 March 2017	31 112	197 425	562	369 203	654 329	1 252 631
Useful life	5-10 years	20 years	3 years	Indefinite	Indefinite	

* Purchase 2016:

Purchase 2016 relates to the Cederroth acquisition in the first quarter.

**Purchase 2017:

Purchase 2017 relates to the licence agreement with AFT Pharmaceuticals for Nordic rights to the product line in the pain category.

7. Interest-bearing loan

Weifa refinanced its debt at the beginning of the second quarter of 2016. The new DNB bank loan totals NOK 350 million for a period of five years and carries an interest of three-months Nibor plus 2.40% with the current leverage.

8. Interest-bearing debt

(NOK 1 000)	Currency	NOK	Year of maturity
Unconditional purchase commitments Licences	EUR	4 584	Q3 2017
Balance at 31 March 2017		4 584	

9. Purchase price allocation – Cederroth AS

Weifa ASA acquired 100% of the shares in Cederroth AS on 15 January 2016 and consequently controls 100% of the company from that date. The SPA was entered into on 17 December 2015.

The acquisition was made for a total cash consideration of NOK 112.3 million. Cederroth AS is a category leading intimate care brand, known as Asan in Norway and Sana in Sweden.

In the purchase price allocation (PPA), the assets and liabilities of Cederroth AS have been measured at their estimated fair value at 15 January 2016. The fair values of the identifiable assets and liabilities of Cederroth AS at the date of acquisition were:

(NOK 1 000)	Fair value of assets and liabilities
ASSETS	
Non-current assets	
Intangible assets	115 640
Total non-current assets	115 640
Current assets	
Inventory	2 947
Other receivables	2 729
Cash and cash equivalents	993
Total current assets	6 669
Total Assets	122 309
EQUITY	
Share capital	1 701
Other equity	55 654
Total equity	57 355
LIABILITIES	
Non-current liabilities	
Deferred tax liabilities	7 275
Total non-current liabilities	7 275
Current liabilities	
Tax payables	1 557
Interest-bearing loans	54 950
Other current liabilities	1 172
Total current liabilities	57 679
Total equity and liabilities	122 309

The purchase price allocation identified fair value adjustments to customer relations, inventory, goodwill and deferred tax liabilities. The fair value of intangible assets consists of customer relations (NOK 28 million), goodwill (NOK 33 million) and trademarks (NOK 54.6 million). The adjustments to inventory relate to the excess value of inventory (NOK 0.8 million). The residual value of the purchase price will be allocated to goodwill. None of the goodwill recognised is expected to be deductible for income tax purposes.

Based on the strong position of the trademarks and Weifa ASA's intention to continue the use of the trademarks, the trademarks are considered to have an indefinite useful life. The fair value of customer relationships for the consumer health business is amortised over 20 years. The fair value adjustment to inventory has been recognised as cost of materials in the first quarter when the inventory was sold.

A transaction cost of NOK 3.1 million was expensed in Q1 2016. Additional acquisition costs of NOK 0.8 million were expensed in 2015.