



WEIFA ASA

SECOND QUARTER AND FIRST HALF 2017 RESULTS

PUBLISHED 13 JULY 2017

CONTENTS

Overview	2	Outlook.....	7
Financial review	3	Share information	8
Operational review	5	Condensed interim financial statements.....	9
Market developments.....	7	Notes to the condensed interim financial statements	13
Risks and uncertainties	7	Responsibility statement.....	18
Transactions with related parties	7		

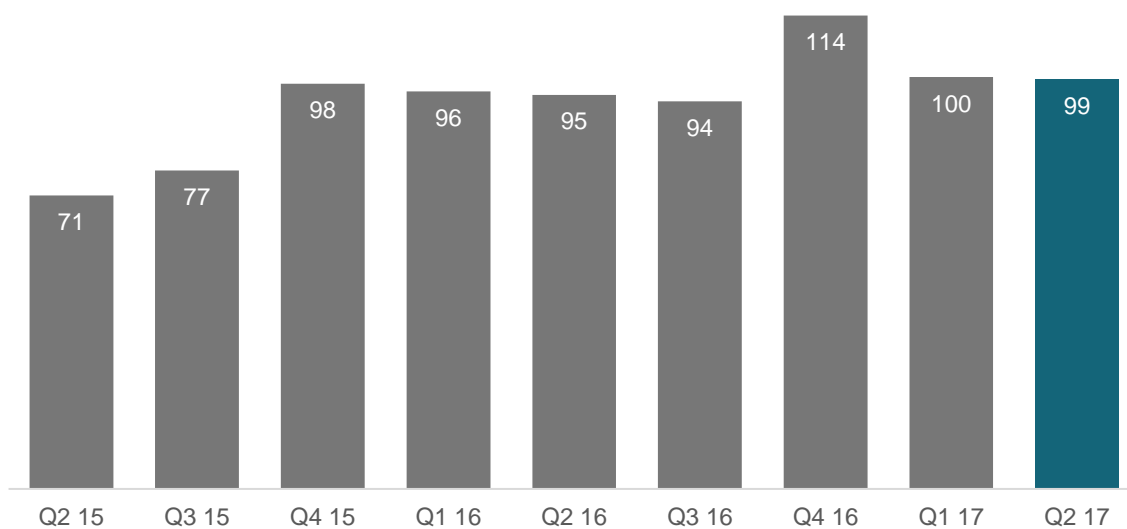
Overview

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

Highlights

- Record second-quarter revenues of NOK 98.6 million (NOK 95.3 million)
 - ✓ All-organic growth of 3.4%
 - ✓ Second-quarter adjusted EBITDA of NOK 22.1 million (NOK 18.6 million)
 - ✓ Adjusted EBITDA margin of 22.5% (19.5%)
- Record first-half revenues of NOK 198.2 million (NOK 191.5 million)
 - ✓ Organic growth of 3.5%
- Strong brands secured revenue growth and high market shares in the main categories

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)	Q2 2017	Q2 2016	6M 2017	6M 2016	2016
Total revenue and income	98 576	95 344	198 161	191 497	399 738
EBITDA	21 054	17 147	42 297	33 610	80 352
EBITDA adjusted *	22 138	18 587	44 358	40 504	89 275
Profit/(loss) for the period	10 756	(6 142)	22 022	301	17 951
Earnings per share (NOK): diluted **	0.28	(0.16)	0.58	0.01	0.47
Total Assets	1 486 910	1 495 940	1 486 910	1 495 940	1 511 581
Net interest-bearing debt	297 001	312 532	297 001	312 532	284 342

* Adj. for employee options of NOK 1.1 million in Q2 2017 (Q2 2016 NOK 1.4 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 second quarter 2017

Weifa had total revenues and other income of NOK 98.6 million (NOK 95.3 million) in the second quarter.

EBITDA was NOK 21.1 million (NOK 17.1 million) for the second quarter after NOK 1.1 million in the cost of employee options. The latter amounted to NOK 1.4 million in the second quarter of 2016.

Depreciation and amortisation came to NOK 3.2 million (NOK 3.2 million) in the second quarter. Financial income was NOK 0.2 million (NOK 0.2 million), reflecting interest on bank deposits. Financial expenses came to NOK 3.9 million in the second quarter (NOK 22.3 million), mainly reflecting interest on loans and currency effects. Financial expenses for the second quarter of

2016 included NOK 17.5 million in one-off costs related to debt refinancing for the buy-back of the company's own bonds at a premium on their book value and associated fees.

Weifa had an income tax expense of NOK 3.4 million (tax income NOK 2 million) in the second quarter.

Net profit for the second quarter was NOK 10.8 million (net loss of NOK 6.1 million).

Profit and loss first half 2017

Weifa had total revenues and other income of NOK 198.2 million (NOK 191.5 million) in the first half.

EBITDA was NOK 42.3 million (NOK 33.6 million) for the first half after NOK 2.1 million in the cost of

employee options. EBITDA in the first half of 2016 included 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 3 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 6.4 million (NOK 6.4 million) in the first half. Financial income was NOK 0.3 million (NOK 0.3 million), reflecting interest on bank deposits. Financial expenses amounted to NOK 7.2 million in the first half (NOK 27.2 million). The first-half figure for 2016 included NOK 17.5 million in one-off costs related to the debt refinancing, reflecting the buy-back of the company's own bonds at a premium on their book value. The remaining financial expenses reflected interest costs on the bond loan and the new bank facility, as well as the effects of changes to currency exchange rates.

Weifa had a tax expense of NOK 7 million (NOK 0.1 million) in the first half. Net profit for the first half was NOK 22 million (NOK 0.3 million).

Cash flow second quarter 2017

Net cash flow from operating activities was NOK 18.9 million (NOK 11.7 million) for the second quarter, reflecting increased revenue.

Net cash flow from investing activities was negative at NOK 0.1 million (positive at NOK 1.2 million).

Net cash flow from financing activities was negative at NOK 57.7 million (NOK 106.9 million), reflecting dividend and interest paid in the period. Net cash flow from financing activities in the second quarter of 2016 reflected debt refinancing and dividend paid as well as effects related to the sale and purchase of the company's own bonds in the period.

Cash flow first half 2017

Net cash flow from operating activities was NOK 50.4 million (NOK 17.8 million) for the first half.

Net cash flow from investing activities was negative at NOK 1.8 million (NOK 120.2 million). The first-half figure for 2016 reflected payment for the Asan acquisition, which closed on 15 January 2016.

Net cash flow from financing activities was negative at NOK 60.7 million (NOK 60.1 million), reflecting interest and dividend paid in the period. The first-half figure for 2016 reflected debt refinancing and dividend paid as well as effects related to the sale and purchase of the company's own bonds in the period.

Financial position

Weifa had total assets of NOK 1 486.9 million (NOK 1 495.9 million) at 30 June 2017. Cash and cash equivalents amounted to NOK 55.6 million (NOK 39.4 million).

Equity at 30 June 2017 was NOK 1 063.4 million (NOK 1 075.7 million), giving an equity ratio of 72%.

Total interest-bearing debt amounted to NOK 352.6 million (NOK 351.9 million) at 30 June 2017, which mainly represented amounts drawn down under the bank facility.

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 annual general meeting held on 30 May 2017 approved a dividend of NOK 1.50 per share. The dividend was paid on 8 June 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

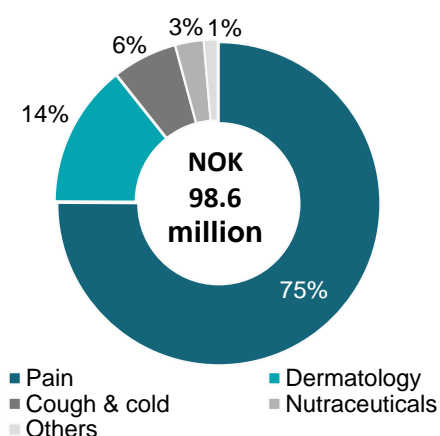
Weifa had total revenues of NOK 98.6 million in the second quarter of 2017, up by 3.4% from NOK 95.3 million for the same period of 2016. The growth was driven by rising demand for the pain relief and cough & cold categories.

Revenues for the first half of 2017 were NOK 198.2 million, up by 3.5% compared with the first six months of 2016 on increased demand for pain relief and cough & cold products.

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

As shown in the graph below, pain relief remained the dominant category in the second quarter, accounting for 75% of revenues. The dermatology category accounted for 14% and cough & cold for 6%.

Consumer health revenue split Q2 17



Source: Weifa

Revenues for Weifa's prescription pain drugs (Rx) increased by 6.5% in the second quarter of 2017 compared with the same period of 2016.

Revenues for the pain portfolio as a whole increased by 4.7% from the second 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 second quarter of 2017 rose by 35% from the same period of last year. The launch of Nazamér mentol nasal spray in the first quarter continued to have a positive effect, as did Solvivo, the new OTC product for sore throats launched in September 2016. Increased sales of Bronkyl and Dexyl more than offset a decline for Tussin and Weifa C.

Metformin sales declined in the second quarter as an effect of the termination of a pharmacy chain agreement in the second quarter of 2016. Sales of Zonat increased from the first quarter of 2017. The effect was nevertheless limited, in line with expectations.

Nutraceuticals revenues decreased by 4.5% from the same period of 2016 owing to lower sales of the Complete product series. The decline more than offset an increase in sales of the Ferromax and Kalsium products.

Revenues from the dermatology category declined by 11% from the same period of last year as lower sales of the Asan product line more than offset an increase in sales of wound treatment products. The decrease for Asan was largely attributable to reduced marketing activity compared with last year. Developments for this category have been stable over the year to date.

Market position

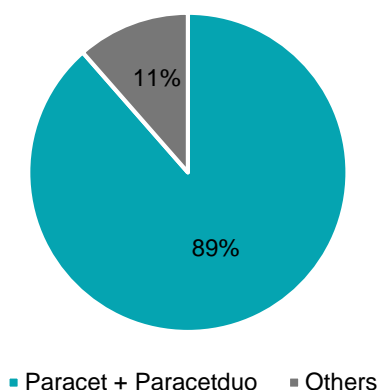
Weifa maintained its position as one of the leading OTC companies in the Norwegian pharmacy channel during the second quarter of 2017 as measured over the last 12 months¹

¹ Based on data at 31 May 2017.

(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 89% (88%) in the paracetamol product segment.

Paracetamol LTM Q2 17 market shares*

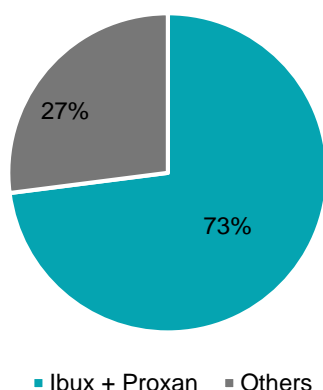


Source: Farmastat/Nielsen

* Market share by volume, 12 months rolling

Ibux and Proxan had a market share of 73% (72%) in the NSAID product segment over the same period.

NSAID LTM Q2 17 market shares*

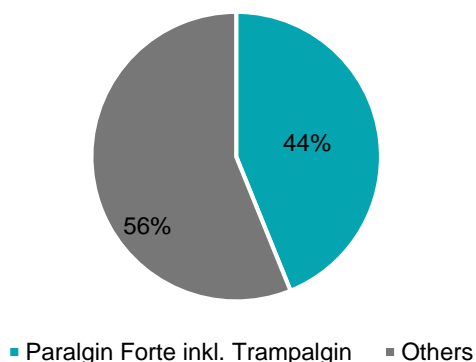


Source: Farmastat/Nielsen

* 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 73%), while Ibux Rx had a market share of 25% over the LTM (up from 24%). Paralgin forte and Trampalgin had a combined share of 44% over the LTM (down from 46%) in the market for opioids used to treat moderate pain.

Paralgin forte LTM Q2 17 market shares*

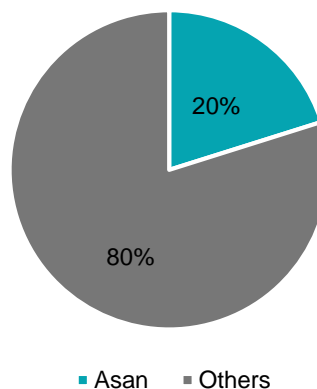


Source: Farmastat/Nielsen

* Market share by volume, 12 months rolling

The Asan portfolio had a 20% share of the Norwegian shower market in the second quarter of 2017 (20%), measured over the LTM. Asan had a market share of 73% (74%) 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 data for both market share and overall market growth.

Asan LTM Q2 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 second quarter of 2017, the Norwegian OTC market grew over the LTM by 10% in the pharmacy channel and 4.3% in the mass-market channel measured by pharmacy purchasing prices.

Sales in the nonsteroidal anti-inflammatory drugs (NSAID) and paracetamol markets decreased by 0.3% and 1% respectively in the mass market measured over the LTM. Sales of NSAIDs rose by 5.3% in the pharmacy channel measured over the LTM, while paracetamol sales increased by 6.5%.

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 second quarter measured over the LTM, up from 19% a year earlier.

The Rx pain segment (NSAIDs, opioids and paracetamol) grew by 6.7% over the LTM.

The market for both shower and intimate wash products declined by about 0.8% over the LTM in the second 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.

Risks and uncertainties

As a pharmaceutical company, Weifa's business activities entail exposure to various types of risk which could affect its business and financial position.

For further information, please refer to the prospectus (chapter 2) dated 2 February 2016 and the annual report for 2016, which can be found on the company's website at www.weifa.no.

Transactions with related parties

Other than ordinary business transactions between group companies, no related-party transactions occurred in the first half of 2017. All

transactions within the group are based on ordinary commercial terms using the arm's length principle.

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 from 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 come the effects of launching further innovative products and of 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 12 July 2017, divided between 3 766 shareholders. The 20 largest shareholders controlled 61.1% of the total number of outstanding shares.

Shares owned by the board of directors and management at 12 July 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, CSO		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 12 July 2017

NAME	SHAREHOLDING	% SHARE
WATRIUM AS	4 716 282	12.9%
STATE STREET	2 224 810	6.1%
MP PENSJON PK	1 867 087	5.1%
HOLTA LIFE SCIENCES	1 824 392	5.0%
HOLBERG NORGE	1 566 145	4.3%
KLP AKSJENORGE	1 382 007	3.8%
STOREBRAND VEKST	936 349	2.6%
KOMMUNAL LANDSPENSJO	933 862	2.6%
NORDEA AVKASTNING	860 121	2.4%
STOREBRAND NORGE	845 000	2.3%
NORDEA NORGE	654 486	1.8%
SOLAN CAPITAL AS	626 650	1.7%
MUSTAD INDUSTRIER AS	625 000	1.7%
VERDIPAPIRFONDET ALF	612 751	1.7%
VERDIPAPIRFONDET STO J	517 000	1.4%
TIGERSTADEN AS	500 000	1.4%
NORDEA KAPITAL	465 717	1.3%
VERDIPAPIRFONDET DNB	380 967	1.0%
STAE STRET BANK	380 733	1.0%
BORGEN INVESTMENT GR	373 647	1.0%
Total 20 largest shareholders	22 293 006	61.1%
Other shareholders	14 179 063	38.9%
Total number of shares	36 472 069	100.0%

Condensed interim financial statements

Consolidated statement of comprehensive income

(NOK 1 000)	Note	Q2 2017	Q2 2016	6M 2017	6M 2016	2016
Total revenue		98 576	95 344	198 161	191 497	399 738
Cost of materials		43 633	42 838	86 181	87 639	178 861
Payroll expenses		11 425	10 423	21 861	20 670	45 593
Other operating expenses		22 464	24 936	47 822	49 578	94 932
Depreciation, amortisation and impairment	6	3 191	3 186	6 377	6 372	12 744
Operating profit/(loss)		17 863	13 961	35 920	27 238	67 608
Finance income		152	165	278	312	584
Finance costs		3 864	22 316	7 223	27 151	34 036
Profit/(loss) before tax		14 151	(8 190)	28 975	399	34 156
Income tax expense	5	3 395	(2 048)	6 953	98	16 205
Profit/(loss) for the period		10 756	(6 142)	22 022	301	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		10 756	(6 142)	22 022	301	17 746
Earnings per share (NOK): basic		0.29	(0.17)	0.60	0.01	0.49
Earnings per share (NOK): diluted		0.28	(0.16)	0.58	0.01	0.47

Condensed interim financial statements

Consolidated statement of financial position

(NOK 1 000)	Note	30.06.2017	30.06.2016	31.12.2016
ASSETS				
Non-current assets				
Fixed asset		550	465	363
Intangible assets	6, 9	1 249 496	1 260 218	1 253 949
Deferred tax assets	5	79 783	103 175	86 736
Total non-current assets		1 329 829	1 363 858	1 341 048
Current assets				
Inventory		17 378	17 404	14 637
Trade receivables		80 203	69 614	81 525
Other receivables		3 934	5 707	6 662
Cash and cash equivalents	2	55 566	39 357	67 709
Total current assets		157 081	132 082	170 533
Total assets		1 486 910	1 495 940	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		14 519	11 622	13 224
Retained earnings		5 789	21 030	38 475
Total equity		1 063 376	1 075 720	1 094 767
Interest-bearing loans				
Other long term interest bearing debt	7	347 781	347 239	347 508
Other long-term liabilities		-	4 650	-
Total non-current liabilities		4 969	6 249	5 420
Current liabilities		352 750	358 138	352 928
Trade payables		26 149	35 921	28 176
Interest-bearing debt	8	4 786	-	4 543
Other current liabilities		39 849	26 161	31 167
Total current liabilities		70 784	62 082	63 886
Total liabilities		423 534	420 220	416 814
Total equity and liabilities		1 486 910	1 495 940	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	-	-	-	301	301
Distribution of dividend	-	-	-	(45 590)	(45 590)
Share-based payment	-	-	3 018	-	3 018
Equity as at 30.06.2016	273 541	769 527	11 622	21 030	1 075 720
Equity as at 01.01.2017	273 541	769 527	13 224	38 475	1 094 767
Total comprehensive income	-	-	-	22 022	22 022
Distribution of dividend	-	-	-	(54 708)	(54 708)
Share-based payment	-	-	1 295	-	1 295
Equity as at 30.06.2017	273 541	769 527	14 519	5 789	1 063 376

Condensed interim financial statements

Cash flow statement

(NOK 1 000)	Note	Q2 2017	Q2 2016	6M 2017	6M 2016	2016
Cash flow from operating activities						
Net profit/(loss) before income tax		14 151	(8 190)	28 975	399	34 156
Foreign currency (gains)/losses		(348)	(23)	(280)	(328)	(465)
<i>Non-cash adjustment to reconcile profit before tax to cash flow:</i>						
Estimated value of employee share options		613	1 439	1 295	3 018	4 620
Depreciation, amortisation and impairment		3 190	3 186	6 377	6 372	12 743
<i>Changes in working capital:</i>						
Changes in trade receivables and trade creditors		(2 009)	13 854	(705)	7 388	(12 268)
Changes in inventory		(4 245)	(975)	(2 741)	(2 184)	583
Changes in other accruals		3 841	(19 766)	10 558	(23 709)	(16 056)
Finance (income)/expense		3 712	22 151	6 945	26 839	33 452
Net cash flow from operating activities		18 905	11 676	50 424	17 795	56 765
Cash flow from investing activities						
Payment relating to purchase of licences	6	-	-	(1 817)	(9 250)	(9 250)
Purchase of equipment		(294)	-	(294)	-	-
Acquisition of subsidiaries, net of cash		-	993	-	(111 307)	(111 307)
Interest received		152	165	278	312	584
Net cash flow from investing activities		(142)	1 158	(1 833)	(120 245)	(119 973)
Cash flow from financing activities						
Proceeds from borrowings (net)	7	-	346 500	-	346 500	346 500
Dividend paid		(54 708)	(45 590)	(54 708)	(45 590)	(45 590)
Sale/Purchase own bonds		-	(408 339)	-	(357 089)	(357 089)
Interest paid		(2 984)	514	(6 026)	(3 954)	(14 844)
Net cash flow from financing activities		(57 692)	(106 915)	(60 734)	(60 133)	(71 023)
Net change in cash and cash equivalents		(38 929)	(94 081)	(12 143)	(162 583)	(134 231)
Cash and cash equivalents beginning period		94 495	133 438	67 709	201 940	201 940
Cash and cash equivalents end period	2	55 566	39 357	55 566	39 357	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)	30.06.2017	30.06.2016
Cash at banks	54 106	39 357
Short-term deposits	1 460	-
Cash and cash equivalents	55 566	39 357

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 30 June 2016	911 801	273 541
Reverse share split, July	(875 329)	-
At 31 December 2016	36 472	273 541
At 30 June 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	26.50	1 735 716	27.50
Outstanding at the end of period	1 735 716	24.98	1 735 716	26.50
Exercisable at the end of period	1 109 057	24.73	972 884	25.00

Following the dividend payment of NOK 1.50 per share in June 2017, the exercise price has been reduced accordingly at 30 June 2017.

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 201.9 million as of 30 June 2017 is shown net of a deferred income tax liability of NOK 122.1 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 30 June 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	-	5 521	749	-	-	6 270
Accumulated depreciation at 30 June 2016	-	18 826	2 808	-	-	21 634
Net book value 30 June 2016	29 295	205 707	1 684	369 203	654 329	1 260 218
<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 30 June 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	-	5 521	749	-	-	6 270
Accumulated depreciation at 30 June 2017	-	29 868	4 305	-	-	34 173
Net book value 30 June 2017	31 112	194 665	187	369 203	654 329	1 249 496
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 2.4% with the current leverage.

8. Interest-bearing debt

(NOK 1 000)	Currency	NOK	Year of maturity
Unconditional purchase commitments Licences	EUR	4 786	Q3 2017
Balance at 30 June 2017		4 786	

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.

Responsibility statement

We confirm, to the best of our knowledge, that the unaudited condensed set of financial statements for the period 1 January to 30 June 2017 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the group's assets, liabilities, financial position, and profit or loss as a whole.

We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events which have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major transactions with related parties.

The board of directors of Weifa ASA
Oslo, 12 July 2017

Einar J. Greve
Chair

Lise Hammergren
Director

Kristin L.A. Wilhelmsen
Director

Tomas Settevik
Director

Espen Tidemann
Jørgensen
Director

Monica Børter Bekkhus
Director
(elected by the employees)

Kathrine Gamborg Andreassen
CEO