

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Oncoclínicas do Brasil Serviços Médicos S.A.

Individual and Consolidated
Interim Financial Information for the
Quarter Ended March 31, 2022 and
Independent Auditor's Report on
Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of
Oncoclínicas do Brasil Serviços Médicos S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Oncoclínicas do Brasil Serviços Médicos S.A. ("Company"), included in the Interim Financial Information Form - ITR for the quarter ended March 31, 2022, which comprises the individual and consolidated balance sheet as at March 31, 2022, and the related individual and consolidated statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Interim Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of Interim Financial Information (NBC TR 2410 and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the interim financial information referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

Emphasis of matter

Restatement of the corresponding figures

As mentioned in note 2.2.1 to the interim financial information, the amounts of the statements of value added for the three-month period ended March 31, 2021, presented for purposes of comparison, were adjusted and are being restated as prescribed in technical pronouncement CPC 23 - "Políticas Contábeis, Mudança de Estimativa e Retificação de Erro" (equivalent to international standard IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors). Our conclusion is not modified in respect of this matter.


Other matter

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added - DVA for the three-month period ended March 31, 2022, prepared under the responsibility of the Company's Management and disclosed as supplemental information for purposes of the international standard IAS 34. These statements were subject to review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in such standard and consistently with the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, May 16, 2022


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Daniel de Carvalho Primo
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

BALANCE SHEETS AS AT MARCH 31, 2022
(in thousands of Brazilian reais - R\$)

ASSETS	Note	Parent		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
CURRENT ASSETS					
Cash and cash equivalents	5	351,451	398,436	549,915	536,838
Securities and financial assets	6	82,709	148,800	932,830	1,477,914
Trade receivables	7	32,440	29,515	782,629	666,151
Inventories	8	18,082	13,088	114,998	69,410
Recoverable taxes	9	25,257	24,738	110,500	96,651
Dividends receivable	30.2	12,810	12,810	-	-
Other assets	10	17,327	11,714	50,575	24,285
Total current assets		540,076	639,101	2,541,447	2,871,229
NON-CURRENT ASSETS					
Securities and financial assets	6	429	505	15,306	35,885
Escrow deposits	22	7,850	7,850	16,785	12,589
Deferred income tax and social contribution	28.c	-	-	29,057	33,424
Related parties	30.1	92,319	81,642	28,890	31,308
Advances for future capital increase	30.3	566,690	533,262	-	1,812
Other assets	10	18,683	18,312	78,397	77,365
Investments in subsidiaries and associates	11	759,412	722,368	1,020	1,386
Property and equipment	12	59,925	61,293	579,779	477,916
Intangible assets	13	75,765	70,413	2,719,913	2,238,409
Right of use	14.1	20,624	20,799	269,104	251,151
Total non-current assets		1,601,697	1,516,444	3,740,173	3,161,181
TOTAL ASSETS		2,141,773	2,155,545	6,281,620	6,032,410
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade payables	15	36,058	37,744	409,450	427,339
Borrowings and financing	16	35,631	70,673	317,534	353,370
Derivative financial instruments	16	-	-	14,872	2,558
Debentures	17	-	-	18,466	15,400
Payroll and related taxes	18	28,173	27,894	90,637	80,137
Taxes payable	19	7,626	7,609	75,730	68,904
Income tax and social contribution payable		-	-	15,247	19,888
Payables for acquisitions	20	1,392	1,163	196,372	83,191
Dividends payable	30.5	-	-	18,975	24,102
Leases	14.2	4,945	4,656	39,021	37,467
Other liabilities	21	8,806	11,856	79,390	91,246
Total current liabilities		122,631	161,545	1,275,694	1,190,722
NON-CURRENT LIABILITIES					
Other liabilities	16	39,867	40,026	811,470	805,127
Borrowings and financing	17	-	-	991,371	997,106
Debentures	18	5,245	12,294	5,245	12,294
Payroll and related taxes	19	-	-	15,938	7,304
Taxes payable	19	-	-	-	4,860
Deferred income tax and social contribution	28.d	-	-	54,542	5,939
Provisions for tax, labor and civil risks	22	1,174	1,068	54,542	41,134
Payables for acquisitions	20	35,235	34,370	468,472	371,316
Related parties	30.4	3,483	3,130	5,282	8,541
Advances for future capital increase	30.6	-	-	9,277	5,424
Leases	14.2	18,166	18,553	250,286	232,204
Other liabilities	21	89,524	30,550	38,464	50,356
Total non-current liabilities		192,694	138,991	2,654,707	2,536,745
EQUITY					
Capital	23	2,207,134	2,207,134	2,207,134	2,207,134
Expenses on public offering of shares		(104,466)	(104,466)	(104,466)	(104,466)
Treasury shares		(20,621)	(20,621)	(20,621)	(20,621)
Capital reserve		592,266	588,005	592,266	588,005
Valuation adjustments to equity		10,167	14,955	10,167	14,955
Transactions between shareholders		(500,287)	(496,246)	(500,287)	(496,246)
Accumulated losses		(357,745)	(334,752)	(357,745)	(334,752)
Equity attributed to owners of the Company		1,826,448	1,854,009	1,826,448	1,854,009
Non-controlling interests		-	-	524,771	450,934
Total equity		1,826,448	1,854,009	2,351,219	2,304,943
TOTAL LIABILITIES AND EQUITY		2,141,773	2,155,545	6,281,620	6,032,410

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF PROFIT AND LOSS
FOR THE PERIOD ENDED MARCH 31, 2022
(In thousands of Brazilian reais - R\$, except loss per share)

	Note	Parent		Consolidated	
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
NET REVENUE	24	44,522	50,936	807,952	614,552
Cost of services	25	(32,205)	(29,605)	(536,621)	(419,782)
GROSS PROFIT		12,317	21,331	271,331	194,770
OPERATING INCOME (EXPENSES)					
General and administrative expenses	25	(28,790)	(24,281)	(200,404)	(139,581)
Other operating income (expenses), net	25	683	(216)	1,644	203
Share of profit (loss) of subsidiaries	11	(14,074)	5,738	-	-
OPERATING PROFIT (LOSS) BEFORE FINANCE INCOME (COSTS)		(29,864)	2,572	72,571	55,392
FINANCE INCOME (COSTS)					
Finance income	26	12,717	7,327	41,511	9,809
Finance costs	26	(5,846)	(12,428)	(98,071)	(37,459)
		6,871	(5,101)	(56,560)	(27,650)
OPERATING PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(22,993)	(2,529)	16,011	27,742
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	28	-	-	(27,287)	(25,580)
Deferred	28	-	48	(4,349)	4,431
LOSS FOR THE PERIOD		(22,993)	(2,481)	(15,625)	6,593
ATTRIBUTABLE TO					
Owners of the Company		-	-	(22,993)	(2,481)
Non-controlling interests		-	-	7,368	9,074
		-	-	(15,625)	6,593
LOSS PER SHARE					
Basic (cents per share - in R\$)	27	(0.0484)	(0.0062)	-	-
Diluted (cents per share - in R\$)	27	(0.0484)	(0.0062)	-	-

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2022
(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
LOSS FOR THE PERIOD	(22,993)	(2,481)	(15,625)	6,593
Items that may be subsequently reclassified to the statement of profit and loss:				
Exchange rate changes on the translation of foreign transactions	(4,788)	4,064	(4,788)	4,064
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(27,781)</u>	<u>1,583</u>	<u>(20,413)</u>	<u>10,657</u>
ATTRIBUTABLE TO				
Owners of the Company	-	-	(27,781)	1,583
Non-controlling interests	-	-	7,368	9,074
	<u>-</u>	<u>-</u>	<u>(20,413)</u>	<u>10,657</u>

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF CHANGES IN EQUITY (PARENT AND CONSOLIDATED)
FOR THE PERIOD ENDED MARCH 31, 2022
(In thousands of Brazilian reais - R\$)

	Attributable to owners of the Company										Total equity
	Capital		Treasury shares	Capital reserve	Valuation adjustments to equity	Transactions between shareholders	Accumulated losses	Attributable to owners of the Company	Noncontrolling interests		
	Subscribed	Unpaid									
BALANCES AS AT DECEMBER 31, 2020	425,656	(9,590)	-	466,746	11,997	(205,186)	(287,852)	401,771	279,398	681,169	
Profit (loss) for the period	-	-	-	-	-	-	(2,481)	(2,481)	9,074	6,593	
Dividends paid to noncontrolling shareholders	-	-	-	-	-	-	-	-	(1,800)	(1,800)	
Capital payment	-	5,339	-	-	-	-	-	5,339	-	5,339	
Capital decrease	-	-	-	-	-	-	-	-	(400)	(400)	
Acquisition and sale of equity interest from/to noncontrolling shareholders	-	-	-	-	-	(518)	-	(518)	(743)	(743)	
Exchange rate changes on the translation of foreign transactions	-	-	-	-	4,064	-	-	4,064	-	4,064	
Capital transactions	-	-	-	-	-	5	-	5	243	248	
BALANCES AS AT MARCH 31, 2021	425,656	(4,251)	-	466,746	16,061	(205,699)	(290,333)	408,180	286,290	694,470	
BALANCES AS AT DECEMBER 31, 2021	2,207,134	-	(104,466)	588,005	14,955	(496,246)	(334,752)	1,854,009	450,934	2,304,943	
Profit (loss) for the period	-	-	-	-	-	-	(22,993)	(22,993)	7,368	(15,625)	
Capital payment	-	-	-	-	-	-	-	-	65,277	65,277	
Exchange rate changes on the translation of foreign transactions	-	-	-	-	(4,788)	-	-	(4,788)	-	(4,788)	
Share-based payment	-	-	-	4,261	-	-	-	4,261	-	4,261	
Dividends paid to noncontrolling shareholders	-	-	-	-	-	-	-	-	(2,569)	(2,569)	
Transactions between shareholders	-	-	-	-	-	(4,041)	-	(4,041)	3,761	(280)	
BALANCES AS AT MARCH 31, 2022	2,207,134	-	(104,466)	592,266	10,167	(500,287)	(357,745)	1,826,448	524,771	2,351,219	

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2022
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
CASH FLOW FROM OPERATING ACTIVITIES					
Profit or loss for the period		(22,993)	(2,481)	(15,625)	6,593
Adjustments to reconcile loss for the period to net cash generated by operating activities:					
Depreciation and amortization	25	5,713	5,914	34,980	27,871
(Reversal of) allowance for expected credit losses and disallowances	24	438	(8,123)	18,464	3,684
Share of profit (loss) of subsidiaries	11	14,074	(5,738)	-	-
Income on securities		(853)	(543)	(32,983)	(1,951)
Interest on borrowings, financing and debentures	26	2,543	9,685	68,009	19,996
Interest on leases	26	501	555	4,864	2,920
Interest related to related parties and acquisitions		506	(277)	16,391	8,995
Accrued Phantom Shares	25	5,287	8,418	5,286	8,418
Foreign exchange fluctuation		-	153	(498)	343
Marked-to-market - Swap		-	(1,279)	221	(3,691)
Deferred income tax and social contribution	28	-	(48)	4,349	(4,431)
Derecognition of property and equipment and intangible assets	12 and 13	-	1,129	29	2,478
Provisions (reversals) for tax, labor and civil risks	25	106	26	2,026	615
		<u>5,322</u>	<u>7,391</u>	<u>105,513</u>	<u>71,840</u>
Changes in operating assets and liabilities:					
Trade receivables	32	(3,363)	(951)	(115,249)	(51,916)
Inventories		(4,994)	(2,246)	(42,617)	(3,520)
Recoverable taxes		(519)	(5,443)	7,447	(2,603)
Escrow deposits		-	-	228	(42)
Other assets		(5,984)	2,277	(9,282)	1,274
Trade payables		(1,686)	(309)	(31,868)	24,699
Taxes payable	32	17	491	67	3,260
Payroll and related taxes	32	(7,795)	(3,279)	(3,016)	104
Other liabilities		(3,005)	(2,830)	(14,182)	(3,449)
Net cash (generated by) used in operating activities		(27,329)	(12,290)	(208,472)	(32,193)
Interest paid, borrowings, financing, debentures, leases and acquisitions	14, 16, 17 and 20 -	3,369	(16,738)	(45,367)	(33,884)
Income tax and social contribution paid	33	-	-	(23,668)	(2,174)
Net cash generated by (used in) operating activities		<u>(25,376)</u>	<u>(21,637)</u>	<u>(171,994)</u>	<u>3,589</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Payment of business acquisitions, net of cash acquired	4	-	-	(247,661)	-
Acquisition of equity interest	12	(1,020)	-	-	-
Acquisition of property and equipment and intangible assets	32	(8,380)	(9,374)	(48,604)	(20,548)
Advance of acquisition and partnership agreements	10	-	-	(4,000)	-
Securities		67,020	46,742	600,464	47,327
Dividends received	32	-	2,129	-	-
Advance for future capital increase	32	(33,428)	(22,630)	618	-
Due to related parties		(9,567)	(16,794)	2,940	(858)
Net cash used in investing activities		<u>14,625</u>	<u>73</u>	<u>303,757</u>	<u>25,921</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Borrowings and financing	16	-	18,060	69,660	155,952
Repayment of borrowings and financing	16 and 17	(35,000)	(151,899)	(148,986)	(153,328)
SWAP settlement		-	3,828	-	3,828
Payment of acquisitions	20	(376)	(8,518)	(6,241)	(24,176)
Payment of redemption of shares		-	-	-	(50,000)
Payment of intangible assets - Unimed partnership	21	-	-	(13,000)	-
Dividends paid		-	-	(2,569)	(1,800)
Due to related parties		353	149,350	(12,014)	(1,472)
Payment of leased assets	14.2	(1,211)	(1,154)	(6,885)	(5,997)
Advance for future capital increase	32	-	-	1,772	142
Net cash generated by (used in) financing activities		<u>(36,234)</u>	<u>9,667</u>	<u>(118,263)</u>	<u>(76,851)</u>
Effects of exchange rate changes on cash held in foreign currencies		-	-	(423)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(46,985)</u>	<u>(11,897)</u>	<u>13,077</u>	<u>(47,341)</u>
Cash and cash equivalents at the beginning of the period / year	5	398,436	82,553	536,838	740,788
Cash and cash equivalents at the end of the period	5	351,451	70,656	549,915	693,447
DECREASE IN CASH AND CASH EQUIVALENTS		<u>(46,985)</u>	<u>(11,897)</u>	<u>13,077</u>	<u>(47,341)</u>

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF VALUE ADDED
FOR THE PERIOD ENDED MARCH 31, 2022
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021 (Restated)	01/01/2022 to 03/31/2022	01/01/2021 to 03/31/2021
Revenues		47,890	54,753	865,999	659,244
Provision of services	24	48,113	45,816	879,387	657,308
Revenue from construction of own assets and leasehold improvements		215	814	5,076	5,620
Allowance for expected credit losses and disallowances	24	(438)	8,123	(18,464)	(3,684)
Inputs acquired from third parties		(39,209)	(32,635)	(582,743)	(437,057)
Cost of services		(27,609)	(27,267)	(507,092)	(389,150)
Supplies, power, outside services and other inputs		(11,626)	(4,150)	(76,091)	(47,290)
Other		26	(1,218)	440	(617)
Gross value added		8,681	22,118	283,256	222,187
Withholdings		(5,713)	(5,914)	(34,980)	(27,871)
Depreciation and amortization	25	(5,713)	(5,914)	(34,980)	(27,871)
Net wealth		2,968	16,204	248,276	194,316
Wealth received in transfer		(1,357)	13,065	41,511	9,809
Share of profit (loss) of subsidiaries	11	(14,074)	5,738	-	-
Finance income	26	12,717	7,327	41,511	9,809
Total wealth		1,611	29,269	289,787	204,125
Wealth distributed		1,611	29,269	289,787	204,125
Personnel and related taxes		15,491	15,781	96,149	81,164
Salaries and wages		14,417	14,700	72,339	66,751
Benefits		897	799	17,769	10,646
Severance pay fund (FGTS)		177	282	6,041	3,767
Taxes, fees and contributions		4,189	4,115	105,334	74,083
Federal		2,640	2,779	82,580	57,704
Municipal		1,549	1,336	22,754	16,379
Lenders and lessors		4,924	11,854	103,929	42,285
Finance costs	26	5,846	12,428	98,071	37,459
Occupancy expenses		(922)	(574)	5,858	4,826
Shareholders		(22,993)	(2,481)	(15,625)	6,593
Accumulated losses		(22,993)	(2,481)	(22,993)	(2,481)
Noncontrolling interests in retained earnings		-	-	7,368	9,074
		-	-	-	-

The accompanying notes are an integral part of this interim financial information.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2022

(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

1. GENERAL INFORMATION

Oncoclínicas do Brasil Serviços Médicos S.A. (“Company”, “Parent” or “Oncoclínicas”), with head office at Avenida Presidente Juscelino Kubitscheck, nº 510, 2º andar, Bairro Vila Nova Conceição, São Paulo - SP, established in 2010, is a publicly-held company since August 2021, listed on the Novo Mercado of B3 S.A - Brasil, Bolsa, Balcão, whose shares are traded under ticker symbol ONCO3. The Company and investees and its subsidiaries (collectively “Group” or “Oncoclínicas Group”) provide healthcare services, mainly focused on Oncology.

Since its establishment, the Company, in addition to providing treatment to oncology patients, has been dedicated to analyzing and identifying the most appropriate therapy opportunities for patients and growth trends in the industry.

Oncoclínicas’ mission is to “beat the cancer”.

Since its establishment, the Company has started to pursue an organic and acquisition-based growth strategy. To pursue its growth, Oncoclínicas Group acquired controlling equity interest in clinics, hospitals and precision medicine centers in several Brazilian regions and opened new units in areas with latent demand through partnerships and provision of healthcare and oncology center coordination services in hospitals.

The Company’s controlling shareholders are Josephina Fundo de Investimento em Participações Multiestratégia (“Josephina”) and Josephina II Fundo de Investimento em Participações Multiestratégia (“Josephina II”), in addition to noncontrolling shareholders, including Mr. Bruno Lemos Ferrari. The shareholding structure is shown in note 23.

The Group’s ultimate controlling shareholder is The Goldman Sachs Group, Inc. (“Goldman Sachs”), which is a leading asset investment firm in Brazil and in the world.

COVID-19 pandemic

i. Analysis of the Effects arising from COVID-19 Pandemic on the Company’s Business

The Company's operations have been adversely affected by the effects from COVID-19 pandemic on its operating results, cash flow and drop in care services, due to the pandemic impact on diagnosis routines and patient appointments and all the preparations to face the pandemic. The greatest impact of these measures occurred in the second quarter of 2020. In 2022, we also noted an impact due to the leaves of absence of employees contaminated with COVID-19 during the period of increase of Ômicron cases, however, we noted a 56% decrease in the expenses on purchase of protective equipment and tests for employees, when compared to the same period in the previous year.

The Company believes that the COVID-19 pandemic can continue to adversely impact its business, financial condition, results of operations, cash flows, liquidity and margins. The extent of these impacts depend on future developments, which remain highly uncertain and unpredictable as at the reporting date, but which show improvements in relation to the impacts in 2020.

ii. Effects on the Company's Financial Position and Results of Operations

The Company was financially impacted during the pandemic. The impacts were due to the following factors:

- (i) The COVID-19 pandemic reduced the number of patients served throughout the year, especially in the second quarter of 2020. However, in 2022, the Company has already observed a resumption of care services, reaching 104 thousand procedures in 2022, compared to 90 thousand in the same period of the previous year. This trend is due to the criticality of the type of service offered.
- (ii) Extraordinary expenses incurred to face the COVID-19 pandemic in the amount of R\$2,916 in 2022, compared to R\$6,391 in 2021. These expenses involve testing employees for COVID-19 and the purchase of personal protective equipment.

iii. Measures Adopted as a result of COVID-19

Since the pandemic's onset, the Company has been daily monitoring COVID-19 evolution and impact on its business, and has developed a specific strategic plan comprising:

- (i) the creation of a crisis management committee composed of members from the Board of Directors and executive officers from the Company's main departments.
- (ii) the adoption of all measures deemed necessary to ensure the health and wellness of the Company's employees, including comprehensive and periodic qualification training concerning the safety and treatment of COVID-19-infected patients, especially doctors and non-medical healthcare professionals, as well as the adoption of specific service protocols for patients with symptoms of COVID-19 at the Oncoclínicas Group's hospitals, healthcare centers and laboratories.
- (iii) the acquisition of inventory items comprising materials and medicines for detecting and treating COVID-19-infected patients, as well as personal protective equipment.
- (iv) the adoption of a telemedicine platform to allow continuity of medical services.

In addition, the Company has reinforced its cash held with financial institutions with which it has entered into partnership so as to preserve its liquidity, finance working capital, discharge its financial liabilities and settle trade payables, as well as to support investments in the ordinary course of business.

Transactions in progress

- Investment agreement - Unimed BH

On September 28, 2021, the Company has signed, through its direct subsidiary Andromeda Participações Ltda., an Investment Agreement with Unimed Belo Horizonte Cooperativa de Trabalho Médico ("Unimed BH"), under which por Unimed BH will hold 15% of the capital of Instituto Materno Infantil de Minas Gerais S.A. ("Hospital Vila da Serra"), a hospital fully held by the Company.

The completion of this transaction is subject to certain conditions precedent usual in this type of transaction, including the approval from the Administrative Council for Economic Defense (CADE), which was granted unrestrictedly, according to Order 445/2022 published in the Federal Official Gazette of April 13, 2022. The other conditions precedent have not yet been completed.

- Acquisition of Unity

On November 23, 2021, the Company has entered into a share purchase and sale agreement for the acquisition of 100% of the capital of Unity Participações S.A (“Unity”).

The purchase price of Unity, if confirmed, will be R\$554,223 to be paid in cash, in addition to the issuance of up to 45,456,297 of the Company’s shares, in addition to an additional installment in cash, limited to the maximum amount of R\$1.34 per share, applicable on 37,628,703 shares. This transaction is subject to usual confirmation adjustments for transactions of this nature.

The closing of the Transaction is subject to conditions precedent usual in transactions of this nature, including (i) the approval from CADE; and (ii) the non-occurrence of material adverse event, as defined in the agreement. In this regard, the transaction was approved by the Company’s and Unity’s shareholders at the respective extraordinary general meetings held on March 28, 2022, subject to suspensive conditions set forth in the protocol and justification of merger.

- Acquisition of Brasil Memorial Holding S.A

On December 22, 2021, the Company has entered into a share purchase and sale agreement with Brasil Memorial Holding S.A. (“Itaiguara Memorial”), with concurrent subscription and payment of new shares, in order to hold 60% of capital, with the option of acquiring 100% of the shares over the next four years.

The payment for the interest acquired will be made in cash, using the Company’s own funds, in the amount of R\$101,000.

The closing of the Transaction is subject to conditions precedent usual in transactions of this nature, including the approval from CADE.

- Cancer Center Salvador

On January 6, 2022, the Company has signed, through its subsidiary Núcleo de Oncologia da Bahia (“NOB”), a service agreement and other covenants with Hospital Santa Izabel (“HSI”), for the development of an integrated, highly complex cancer treatment center “Cancer Center Salvador”.

The Transaction will require a total investment by NOB, the Company’s subsidiary, of approximately R\$138,600 over the next two years, for the implementation of an excellence center dedicated to treating and providing full care services to oncology patients. Cancer Center Salvador will offer a modern diagnosis center, beds for hospitalization and chemo infusions, highly complex surgeries (including robotic surgeries), a ward dedicated to bone marrow transplant, radiotherapy and continuing care, coordinated by NOB/ Oncoclínicas, through an agreement effective for the next 30 years.

The closing of the Transaction is subject to certain conditions precedent, including, without limitation, the final approval from CADE.

- Acquisition of Medica Scientia Innovation Research S.L

On March 20, 2022, the Company has signed a purchase and sale agreement for the acquisition of 49% of the capital of Medica Scientia Innovation Research (“MEDSIR”), with an option to reach 100% over the next years, subject to the fulfillment of preset goals. MEDSIR is an international organization with vast experience in the planning and management of independent oncology clinical researches. Through a collaborative research development model, which connects the academic and research areas with the biotechnology and pharmaceutical industries, it is focused on developing, improving and adapting innovative treatments for cancer patients.

The transaction provides for a disbursement of €5,750, in consideration for part of Oncoclínicas, in exchange for an initial interest in MEDSIR. This amount is comprised of the payment of €3,000 to the current shareholders of MEDSIR and a capital contribution of €2,750. Additional payments totaling €3,500 are also contemplated, subject to the fulfillment of specific preset operational goals for the next years.

The closing of this transaction is subject to conditions precedent usual for transactions of this nature, including the approval from the Direct Foreign Investment Authority (Subdirección General de Inversiones Extranjeras) in Spain.

2. BASIS OF PREPARATION, PRESENTATION OF INTERIM FINANCIAL INFORMATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The individual and consolidated interim financial information has been prepared in accordance with technical pronouncement CPC 21 (R1) - “Demonstração Intermediária” and the consolidated interim financial information in accordance with the standards of CPC 21 (R1) and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and presented in line with the standards issued by the Brazilian Securities and Exchange Commission (“CVM”), applicable to the preparation of Interim Financial Information (ITR).

All relevant information for the interim financial information, and only this information, is being disclosed and corresponds to the information used in managing the Company.

2.2. Basis of presentation

The information related to the bases of preparation and presentation of the interim financial information, the summary of significant accounting policies and the use of estimates and judgments was not subject to changes in relation to that disclosed in the notes to the annual financial statements for the year ended December 31, 2021 (hereinafter referred to as “Financial statements as at December 31, 2021”), therefore, the interim financial information must be read together with the financial statements for the year ended December 31, 2021.

2.2.1 Restatement of the financial statements

After authorization for issuance of the interim financial information for the period ended March 31, 2021, which occurred on June 7, 2021, the Company made certain reclassifications in the individual statement of value added and restated the corresponding figures for the three-month period ended March 31, 2021, as set forth in technical pronouncement CPC 23 - “Práticas Contábeis, Mudanças de Estimativa e Retificação de Erro” (equivalent to international standard IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors).

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED MARCH 31, 2021

	Parent		
	Originally stated balance	Reclassifications	Restated balance
Inputs purchased from third parties	(14,450)	(18,185) (a)	(32,635)
Gross value added	40,303	(18,185)	22,118
Net value added	34,389	(18,185)	16,204
Wealth received in transfer	13,065	-	13,065
Total wealth	47,454	(18,185) (a)	29,269
Wealth distributed	47,454	(18,185) (a)	29,269
Personnel and charges	30,544	(14,763) (a)	15,781
Taxes, fees and contributions	6,753	(2,638) (a)	4,115
Lenders and lessors	12,638	(784) (a)	11,854
Shareholders	(2,481)	-	(2,481)

(a) Refers to the review of the criterion for presentation of the reimbursement of expenses shared between the Company and its subsidiaries.

2.3. Basis of consolidation

The interim financial information includes the operations of the Company and its investees and subsidiaries, whose direct and indirect percentage equity interests at the balance sheet dates are disclosed as follows:

	Equity interest (%)	
	03/31/2022	12/31/2021
1) Oncobio Serviços de Saúde S.A.	100	100
2) Oncocentro Imagem Serviços Médicos Ltda.	100	100
3) Hematológica - Clínica de Hematologia S.A.	100	100
4) Radiogroup Participações S.A.	80	80
5) Radiocare Serviços Médicos Especializadas Ltda.	100	100
6) Centro de Tratamento em Radioterapia Ltda.	100	100
7) Centro de Quimioterapia Antibalística e Imunoterapia S.A.	100	100
8) COT - Centro Oncológico do Triângulo S.A.	65	65
9) COT - Radioterapia Ltda.	100	100
10) Oncocentro Uberlândia S.A.	100	100
11) Oncoclínicas Participações Minas Gerais S.A.	87.75	87.75
12) Núcleo de Hematologia e Transplante Óssea de MG Ltda.	100	100
13) Centro Paulista de Oncologia S.A.	99.5	99.5
14) Radioterapia Oncoclínicas Salvador Ltda.	100	100
15) Oncopar Sul Empreendimentos e Participações Ltda.	100	100
16) Instituto de Hematologia e Oncologia de Curitiba S.A. - Clínica Médica	72	72
17) Centro de Quimioterapia Oncoclínicas S.A.	100	100
18) Oncoclínicas Canoas Clínica de Oncologia Ltda.	90	90
19) Pro Onco Centro de Tratamento Oncológico S.A.	75	75
20) Centro Mineiro de Infusão S.A.	100	100

	Equity interest (%)	
	03/31/2022	12/31/2021
21) CPO - Centro Paraibano de Oncologia S.A.	99.99	99.99
22) Núcleo de Oncologia da Bahia S.A.	80.65	80.65
23) Núcleo de Oncologia da Bahia Centro de Prevenção Ltda.	99.95	99.95
24) Núcleo de Oncologia de Sergipe S.A.	100	100
25) Multihemo Serviços Médicos S.A.	100	100
26) Radioterapia Oncoclínicas Recife S.A.	100	100
27) Onco Clínica Recife Ltda.	99.99	99.99
28) Oncoclínica Centro de Tratamento Oncológico S.A.	100	100
29) Radioterapia Botafogo S.A.	100	100
30) Centro de Excelência Oncológica S.A.	50	50
31) Oncologia Participações Ltda.	100	100
32) CECON - Centro Capixaba de Oncologia S.A.	81.5	81.5
33) Helmond Oncologia S.A.	50	50
34) Oncohematologia Participações Ltda.	100	100
35) Idengene Medicina Diagnóstica S.A.	100	100
36) Instituto de Oncologia de Ribeirão Preto S.A.	86	86
37) Radioterapia Oncoclínicas Ribeirão Preto Ltda.	100	100
38) Radioterapia Oncoclínicas São Paulo Ltda.	100	100
39) Centro de Excelência de RT do Rio de Janeiro S.A.	50	50
40) Central de Gestão e Saúde Ltda.	100	100
41) Oncoclínicas Participações SP Ltda.	100	100
42) Onco Vida Instituto Especializado de Oncologia Clínica S.A.	84.04	84.04
43) Aliança Instituto de Oncologia S.A.	80	80
44) Oncoclínicas Participações ES RJ Ltda.	100	100
45) Oncoclínicas Rio de Janeiro S.A.	100	100
46) Boston Lighthouse	90.28	90.28
47) Navarra RJ (Leste Fluminense S.A.)	51	51
48) Pontus Participações Ltda.	50.01	50.01
49) Yukon Participações S.A.	50.01	50.01
50) Baikal Participações S.A.	50.01	50.01
51) Angara Participações S.A.	50.01	50.01
52) Andrômeda Participações Ltda.	100	100
53) Locus Anat. Patol. e Citologia Ltda.	100	100
54) Hospital de Oncologia do Méier S.A	100	100
55) Ira Instituto Roberto Alvarenga Ltda.	95	95
56) Instituto Materno Infantil de Minas Gerais S.A	100	100
57) Fundo de investimentos em direitos creditórios - FIDC	100	100
58) Oncoclínicas Salvador S.A	100	100
59) Cruz Participações Ltda (Talassa Participações S.A)	50.01	50.01
60) Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda.	100	100
61) CTR Centro de Tratamento Radioterápico Ltda	87.56	87.56
62) Complexo Hospitalar Uberlândia S.A.	100	100
63) UMC Imagem Ltda	100	100
64) Instituto do Coração do Triangulo Mineiro Ltda	100	100
65) Louro Participações Ltda (CTC Oncologia S.A)	50.01	50.01
66) CAM - Clínica de Assistência à Mulher Ltda. (i)	100	-
67) CLION - Clínica de Oncologia Ltda. (i)	100	-
68) GMN - Grupo de Medicina Nuclear Ltda. (i)	100	-
69) JPC - Patologia e Análises Clínicas Ltda. (i)	100	-
70) OSTEO - Centro de Diagnóstico da Osteoporose Ltda. (i)	100	-
71) CTR - Centro de Tratamento Radioterápico de Anápolis Ltda. (ii)	86.69	-

	Equity interest (%)	
	03/31/2022	12/31/2021
72) Microlimagem Laboratório de Anatomia Patológica e Citopatologia Ltda. (iii)	100	-
73) CEMISE - Centro De Medicina Integrada De Sergipe Eireli (iv)	100	-
74) CEMISE - Ressonância Magnética e Tomografia Computadorizada Ltda (iv)	100	-
75) ELO Medicina Diagnóstico Ltda. (v)	100	-

The changes in equity interests during the year are as follows:

- (i) The Company acquired equity interest in Cam/Cion Group companies, which are limited liabilities companies, located in Brazil, headquartered in the City of Salvador, State of Bahia. Their corporate purposes are performing ambulatory activities with resources for the performance of complementary tests, provision of medical pathology and clinical analysis services, provision of diagnostic imaging services. The companies acquired are: CAM - Clínica de Assistência à Mulher Ltda, Clion - Clínica de Oncologia Ltda, GMN - Grupo de Medicina Nuclear Ltda, JPC - Patologia e Análises Clínicas Ltda., OSTEO - Centro de Diagnóstico da Osteoporose Ltda. Company acquired in January 2022 (see note 4)
- (ii) CTR - Centro de Tratamento Radioterápico de Anápolis Ltda. is a limited liability company, located in Brazil, headquartered in the city of Anápolis, State of Goiás, engaged in the provision of pathological and cytopathological anatomy laboratory services. Company acquired in February 2022 (see note 4)
- (iii) Microlimagem Laboratório de Anatomia Patológica e Citopatologia Ltda. is a limited liability company, located in Brazil, headquartered in the city of Rio de Janeiro, State of Rio de Janeiro, engaged in the provision of pathological and cytopathological anatomy laboratory services. Company acquired in January 2022 (see note 4)
- (iv) The Company acquired CEMISE - Centro De Medicina Integrada De Sergipe Eireli. It is a limited liability company, located in Brazil, headquartered in the city of Aracajú, State of Sergipe, engaged in performing ambulatory activities, providing imaging diagnostic, clinical laboratory, tomography, vaccination and nuclear medicine services. CEMISE - Ressonância Magnética e Tomografia Computadorizada LTDA is a limited liability company, located in Brazil, headquartered in the city of Aracajú, State of Sergipe, engaged in the provision of imaging diagnostic services, diagnostic contemplation and therapeutical-spirometry services, ambulatory activities with resources for the performance of complementary tests. Company acquired in March 2022 (see note 4)
- (v) Elo Medicina Diagnóstica Ltda. is a limited liability company, located in Brazil, headquartered in the city of Uberlândia, State of Minas Gerais, engaged in the provision of radiology, diagnostic imaging, nuclear medicine diagnosis services, and therapeutical and diagnostic complementation services. Company acquired in February 2022 (see note 4)

The Company consolidates all entities over which it holds control , that is, when the Company has:

- (a) power over an investee;
- (b) exposure, or rights, to variable returns from its interest in the investee, and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it retains control of an investee if facts and circumstances indicate the occurrence of changes in one or more of the three elements of control listed above.

The consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when the Company loses control over the subsidiary. Specifically, the income and expenses of a subsidiary acquired or sold during the year are included in profit or loss from the date on which the Company obtains control until the date on which the Company no longer controls the subsidiary.

When necessary, adjustments are made to the subsidiaries' financial statements to bring their accounting policies into line with the Group's accounting policies.

In the consolidation, the parent company's interest in the subsidiaries' equity, as well as the balances of assets and liabilities, income and expenses arising from intragroup transactions, were eliminated.

3. NEW AND REVISED STANDARDS AND INTERPRETATIONS

In 2022, there are CPC/IFRS standards or ICPC interpretations/ International Financial Reporting Interpretations Committee ("IFRIC") recently issued that were adopted by the Company. However, these standards or interpretations had no significant effects on the Group.

Standards issued but not yet effective

There were no new standards issued but not yet effective other than those already disclosed in the annual financial statements.

4. BUSINESS COMBINATIONS

The fair value of assets acquired and liabilities assumed in business combinations during 2022, as well as the fair value of identifiable assets and goodwill recognized were accounted for on provisional basis, and the goodwill will be finally determined within a period of twelve months. These amounts are as follows:

	Bahia	Rio de Janeiro	Goiás	Sergipe	Minas Gerais
Location		Microimagem Lab. de Anatomia Patológica e Citopatologia Ltda.	CTR - Centro de Trat.Radioterapico de Anapolis Ltda.	Grupo Cemise	Elo Medicina Diagnostica Ltda
Company	CAM and Clion Group				
Acquisition date	01/10/2022	01/20/2022	02/08/2022	03/04/2022	02/15/2022
Equity interest acquired (voting %)	100%	100%	86.69%	100%	100%
Noncontrolling interests	-	-	13.31%	-	-
Payment on acquisition date	145,397	4,000	10,329	104,097	2,000
Share-based payment	65,277	-	-	-	65277
Contingent portion	45,000	-	-	-	45,000
Payables for acquisitions	113,440	4,000	-	34,699	152,139
Total consideration	369,114	8,000	10,329	138,796	528,239
Assets acquired	98,326	5,150	23,443	45,951	175,871
Cash and cash equivalents	6,026	2,270	294	9,484	18,162
Trade receivables	17,446	15	39	5,009	22,667
Inventories	1,638	-	-	1,333	2,971
Recoverable taxes	893	33	24	332	1,282
Advances	31	303	9	1,314	1,655
Property and equipment	35,444	211	22,291	26,283	86,929
Escrow deposits	4,372	-	-	43	4,415
Right of use and leased assets	24,842	-	-	-	24,842
Intangible assets	300	-	388	475	1,163
Indemnifiable asset	767	540	-	-	1,307
Advance for future capital increase	1,776	-	-	-	1,776
Other assets	4,791	1,778	398	1,678	8,700

Location	Bahia	Rio de Janeiro	Goiás	Sergipe	Minas Gerais	
Company	CAM and Clion Group	Microimagem Lab. de Anatomia Patológica e Citopatologia Ltda.	CTR - Centro de Trat.Radioterapico de Anapolis Ltda.	Grupo Cemise	Elo Medicina Diagnostica Ltda	
Company	CAM and Clion Group	Microimagem Lab. de Anatomia Patológica e Citopatologia Ltda.	CTR - Centro de Trat.Radioterapico de Anapolis Ltda.	Grupo Cemise	Elo Medicina Diagnostica Ltda	
Liabilities assumed	(68,386)	(1,311)	(16,620)	(28,573)	(4,959)	(119,847)
Trade and other payables	(9,945)	(68)	(6)	(3,588)	(372)	(13,979)
Payroll and related taxes	(2,360)	(117)	(45)	(2,846)	(74)	(5,442)
Taxes payable	(10,455)	(530)	(11)	(1,805)	(22)	(12,823)
Borrowings and financing	(11,757)	-	(9,875)	(19,230)	(3,928)	(44,790)
Leases	(24,842)	-	-	-	-	(24,842)
Contingencies	(8,048)	(540)	-	(221)	-	(8,809)
Advance for future capital increase	-	-	(2,081)	-	-	(2,081)
Other	(979)	(56)	(4,602)	(883)	(561)	(7,081)
Total net assets acquired	29,940	3,839	7,871	17,378	(1,956)	56,024
Noncontrolling interests	-	-	(1,048)	-	-	(1,048)
Excess price paid on the acquisition	339,174	4,161	3,506	121,418	3,956	472,215
Contribution to line item "Revenue" since the acquisition date	31,006	-	163	5,372	341	31,510
Contribution to line item profit (loss) before taxes since the acquisition date	2,468	-	(543)	230	(22)	1,903
Acquiree's revenue since the beginning of the current year	31,006	8,758	220	10,745	751	51,480
Acquiree's profit (loss) before taxes since the beginning of the year	2,468	2,711	(835)	(305)	(4)	4,035

Acquisitions in 2022

(a) CAM Group/Clion

Refers to the purchase and sale agreement providing for the control and effective acquisition of CAM/CLION Group companies (see note 2.3), by subsidiary Núcleo de Oncologia da Bahia S.A occurred on January 10, 2022. Located in Bahia, engaged in performing ambulatory activities with resources for the performance of complementary tests and provision of diagnostic imaging services.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of all companies was acquired by Núcleo de Oncologia da Bahia S.A. for R\$369,114.

As part of the transaction and concurrently with the direct acquisition of 100%, CAM's shareholders subscribed and paid up 1,587,588 new common shares, representing 12.15% of the voting capital of Núcleo de Oncologia da Bahia S.A., in the amount of R\$65,277, which was used to offset the purchase price due against the installment in cash to be paid by the buyer.

Goodwill on business combination

For the purposes of this business combination, the amount of R\$339,174 was recognized as goodwill based on expected future earnings by buyer Núcleo de Oncologia da Bahia S.A.

(b) CTR - Centro de Tratamento Radioterápico de Anápolis Ltda

Refers to the purchase and sale agreement providing for the control and effective acquisition of CTR - Centro de Tratamento Radioterápico de Anápolis Ltda by Oncoclínica - Centro de Tratamento Oncológico S.A (CTO), on February 8, 2022. Located in Goiás, engaged in the provision of pathological and cytopathological anatomy laboratory services.

Negotiated price

Pursuant to the purchase and sale agreement, 86.69% of the shares comprising the capital of CTR Anápolis was acquired by CTO for R\$10,329.

Goodwill on business combination

For the purposes of this business combination, the amount of R\$3,506 was recognized as goodwill based on expected future earnings by buyer Oncoclínica - Centro de Tratamento Oncológico S.A.

(c) Microimagem Laboratório de Anatomia Patológica e Citopatologia Ltda

Refers to the purchase and sale agreement providing for the control and effective acquisition of Microimagem Laboratório de Anatomia Patológica e Citopatologia Ltda by Idengene Medicina Diagnóstica S.A. (Idengene), on January 20, 2022. Located in Rio de Janeiro, engaged in the provision of pathological and cytopathological anatomy laboratory services.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of Microimagem was acquired by Idengene for R\$8,000.

Goodwill on business combination

For the purposes of this business combination, the amount of R\$4,161 was recognized as goodwill based on expected future earnings by buyer Idengene Medicina Diagnostica S.A.

(d) Cemise Group

Refers to the purchase and sale agreement providing for the control and effective acquisition of Cemise Group, comprised of the companies listed in note 2.3, by NOS - Núcleo de Oncologia de Sergipe S.A (NOS) on March 4, 2022. Located in Sergipe, engaged in performing ambulatory activities, providing imaging diagnostic, clinical laboratory, tomography, vaccination and nuclear medicine services.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of Cemise was acquired by NOS for R\$138,796.

Goodwill on business combination

For the purposes of this business combination, the amount of R\$121,418 was recognized as goodwill based on expected future earnings by buyer NOS - Núcleo de Oncologia de Sergipe S.A.

(e) ELO Medicina Diagnóstica LTDA

Refers to the purchase and sale agreement providing for the control and effective acquisition of ELO Medicina Diagnóstica LTDA by UMC Imagem LTDA (UMC) on February 15, 2022. Located in Minas Gerais, engaged in the provision of radiology, diagnostic imaging, nuclear medicine diagnosis, diagnostic and therapeutical complementation services.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of ELO Medicina Diagnóstica LTDA was acquired by UMC Imagem LTDA for R\$2,000.

Goodwill on business combination

For the purposes of this business combination, the amount of R\$3,956 was recognized as goodwill based on expected future earnings by buyer UMC Imagem LTDA.

The initial recognition of goodwill arising on the acquisitions above was made on provisional basis, based on the information available up to the end of the reporting period and the Company is gathering the information necessary for the determination of the final amount within the period prescribed in IFRS 3. Trade receivables, property and equipment, operating leases and contingencies may significantly impact such determination due to the alignment of the acquirees' accounting practices with those of the Company, which is still in progress.

The Company expects goodwill acquired in these business combinations to be deductible for tax purposes, upon the merger of these subsidiaries.

5. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Cash and banks	56,102	377	83,615	48,587
Short-term investments (i)	<u>295,349</u>	<u>398,059</u>	<u>466,300</u>	<u>488,251</u>
Total cash and cash equivalents	<u>351,451</u>	<u>398,436</u>	<u>549,915</u>	<u>536,838</u>

- (i) Short-term investments are mainly represented by Bank Deposit Certificates (CDBs) yielding interest corresponding to rates of up to 101.25% in 2022 (99% in 2021) of the Interbank Deposit Certificate (CDI) rate, highly liquid.

6. SECURITIES AND OTHER FINANCIAL ASSETS

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Fixed-income short term investment (i)	<u>83,138</u>	<u>149,305</u>	<u>948,136</u>	<u>1,513,799</u>
Total	<u>83,138</u>	<u>149,305</u>	<u>948,136</u>	<u>1,513,799</u>
Current	82,709	148,800	932,830	1,477,914
Noncurrent	429	505	15,306	35,885

- (i) The short-term investments refer to investments in highly liquid fixed-income securities but which, however, do not meet all criteria for classification as cash and cash equivalents. The yield of these short-term investments are similar to those mentioned in note 5 above.

Also, the Group has other investments in credit right funds, yielding interest of 1.29% p.a. as at March 31, 2022 (4.52% p.a. as at December 31, 2021).

7. TRADE RECEIVABLES

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Trade receivables	15,721	12,496	388,897	305,054
Unbilled revenues	<u>21,886</u>	<u>22,560</u>	<u>454,399</u>	<u>406,119</u>
Total trade receivables and unbilled revenues	37,607	35,056	843,296	711,173
Allowance for expected credit losses (ECL)	(3,808)	(3,721)	(32,863)	(23,827)
Provision for disallowance	<u>(1,359)</u>	<u>(1,820)</u>	<u>(27,804)</u>	<u>(21,195)</u>
	<u>32,440</u>	<u>29,515</u>	<u>782,629</u>	<u>666,151</u>

Trade receivables are denominated in Brazilian reais and refer mainly to healthcare services provided to health insurance plans, which average days sales outstanding is 88 days (79 days as at December 31, 2021).

The aging list of trade receivables is as follows:

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Current	30,637	27,220	618,380	551,416
Up to 30 days past-due	967	1,739	93,424	60,150
Up to 60 days past-due	350	338	34,669	24,669
Up to 90 days past-due	929	1,322	41,541	28,625
91 to 180 days past-due	581	643	29,532	30,577
Over 180 days past-due	4,143	3,794	25,750	15,736
	<u>37,607</u>	<u>35,056</u>	<u>843,296</u>	<u>711,173</u>

The Company usually recognizes an allowance for expected credit losses based on the expected collection of trade receivables and the history of losses and disallowed amounts (average of 3% in the allowance calculation) identified by some health insurance plans.

The disallowance occurs upon authorization of the health insurance plan for issuance of the invoice. Once the disallowance is recognized, it is analyzed, and if undue, an appeal is filed with the healthcare operator for the receivable collection. The period for filing of appeals varies according to the healthcare operator, but starts to be counted when the appeal is filed.

Variations in the allowance for expected credit loss and provision for disallowances are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2020	(12,977)	(69,120)
Reversal	7,945	19,688
Recognition	(1,369)	(17,699)
Balance as at March 31, 2021	<u>(6,401)</u>	<u>(67,131)</u>
Balance as at December 31, 2021	(5,541)	(45,020)
Reversal	1,784	15,844
Recognition	(1,410)	(31,491)
Balance as at March 31, 2022	<u>(5,167)</u>	<u>(60,667)</u>

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Oncoclínicas Group does not have any security pledged as collateral for trade receivables.

8. INVENTORIES

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Medicines	8,771	3743	82,326	45,499
Material and Personal Protective Equipment (PPE)	9,311	9345	32,593	23,832
Advance	-	-	79	79
Total	<u>18,082</u>	<u>13,088</u>	<u>114,998</u>	<u>69,410</u>

Inventories refer mainly to medicines used in chemotherapeutic procedures. There is no allowance for inventory losses and guarantees, considering an average turnover period of approximately 54 days (40 days as at December 31, 2021) and guarantees provided and/or restrictions on the full use of inventories.

9. RECOVERABLE TAXES

Recoverable taxes are broken down as follows:

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Income tax (IRPJ) and Social contribution (CSLL)	11,551	11,979	24,311	11,043
Withholding income tax (IRRF)	11,295	10,274	47,372	48,849
Taxes on revenue (PIS and COFINS)	2,379	2,453	36,385	34,398
Service tax (ISS)	-	-	1,910	1,893
Other taxes	32	32	522	448
	<u>25,257</u>	<u>24,738</u>	<u>110,500</u>	<u>96,631</u>

10. OTHER ASSETS

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Advances to suppliers	3,603	3,326	12,683	5,193
Disposal of equity interests (b)	18,892	18,753	20,676	20,546
Indemnifying asset (c)	-	-	36,795	34,541
Machinery lease	3,504	3,649	1,253	1,285
Sundry advances (a)	578	572	34,104	24,597
Prepaid expenses (e)	9,181	3,473	13,193	5,222
Other	252	253	10,268	10,266
	<u>36,010</u>	<u>30,026</u>	<u>128,972</u>	<u>101,650</u>
Current	17,327	11,714	50,575	24,285
Noncurrent	18,683	18,312	78,397	77,365

- (a) Includes the amount of R\$13,500, which was paid in advance for the beginning of the works, pursuant to the agreement entered into in May 2021, under Built To Suit regime, between Himalaia Empreendimentos Imobiliários S.A. (Lessor) and Oncoclínicas - Centro Tratamento Oncológico S.A. (Lessee). The purpose of this agreement is the development of a mixed-use real estate project planned with the integration of spaces for health, shopping mall, residential and commercial buildings, convention center, leisure, gastronomy and culture, as well as parking lot for approximately 1,800 vehicles, which will be economically explored by the Company or by whom it appoints/contracts, ensuring vacancies exclusively for the hospital unit that will be built and leased for use and operation by the Company. The Lease term will start on the date of delivery of the property in conditions of use with a term of 30 (thirty) years.

The project is still in progress and the property was not yet delivered under conditions for use by the lessee. Accordingly, the recognition criteria prescribed by IFRS 16 (CPC 06) were not yet met.

Contains partnership agreement between NOB (subsidiary) and Clivale (NOB's partner) in the amount of R\$4,000, relating to investment for expansion/opening of branches. In the partnership, NOB will assign the provision of medical services, and Clivale the structure for the performance of procedures.

- (b) Refers to purchase and sale transactions between the Company, its subsidiaries and third parties. Balances are adjusted based on the CDI or IPCA and mature up to 2030.
- (c) Includes amounts deriving from events indemnifiable by the sellers of Hospital Vila da Serra, Cebrom, Complexo Hospitalar Uberlândia, CAM Group and Microimagem as detailed in note 22.

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

a) Breakdown

	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Investments in subsidiaries and associates	653,178	616,134	1,020	1,386
Goodwill (i)	<u>106,234</u>	<u>106,234</u>	-	-
	<u>759,412</u>	<u>722,368</u>	<u>1,020</u>	<u>1,386</u>

- (i) Refers to the goodwill arising on business combinations carried out by the Parent.

Variations in investments are as follows:

Companies	12/31/2021	Profit distribution	Share of profit (loss) of subsidiaries	Transfer (i)	New acquisitions (ii)	Foreign exchange fluctuation	Other	03/31/2022
Chemotherapy	59,311	-	(5,612)	(62,958)	-	-	-	(9,259)
Radiotherapy	14,461	-	449	-	-	-	-	14,910
Precision medicine	76,486	-	(10,278)	-	-	(4,776)	-	61,432
Vehicle entities	411,436	-	4,591	58,906	1,020	-	-	475,953
Other	28,242	-	(3,224)	-	-	-	-	25,018
Total	589,936	-	(14,074)	(4,052)	1,020	(4,776)		568,054
Investments	616,134	-	-	-	-	-	-	653,178
Equity deficit*	(26,198)	-	-	-	-	-	-	(85,124)

* Recorded in "Other noncurrent liabilities" in the balance sheet.

Companies	12/31/2020	Profit distribution	Share of profit (loss) of subsidiaries	Changes in equity interest	New acquisitions	Foreign exchange fluctuation	Other	03/31/2021
Chemotherapy	110,601	-	6,407	-	-	-	8	117,016
Radiotherapy	13,942	-	343	-	-	-	-	14,285
Precision medicine	8,449	-	(3,958)	-	-	841	(1)	5,331
Vehicle entities	473,135	(2,129)	6,238	(518)	-	-	-	476,726
Other	27,836	-	(3,292)	-	-	-	-	24,544
Total	633,963	(2,129)	5,738	(518)	-	841	7	637,902
Investments	635,766	-	-	-	-	-	-	644,060
Equity deficit*	(1,803)	-	-	-	-	-	-	(6,158)

* Recorded in "Other noncurrent liabilities" in the balance sheet.

(i) Transfer of interest between subsidiaries

On January 10, 2022, Centro de Tratamento Oncoclínicas subscribed shares in Núcleo de Oncologia da Bahia, starting to hold 48.17% interest, diluting Parent Centro de Mineiro de Infusões, therefore, the amount of R\$4,052 reflects the overstated amount realized by CTO in relation to its percentage interest.

(ii) Acquisition of associate

On February 8, 2022, Parent Oncoclínicas acquired shares corresponding to a total of 25.77% interest in JHSL Consultoria S.A, a holding company operating Meu Médico platform, a customized multimedia communication platform, integrated with the clinic's schedule and the patient's chart, for institutions that wish to reduce lines, avoid unnecessary risks for employees and patients and make communication more efficient. Also, with Meu Médico, the institution can rely on a technology capable of offering a more efficient, qualified operation of the business and providing significant cost reduction.

Equity interest held in direct investees							
March 31, 2022							
Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the quarter	Investment amount	Profit or loss under the equity method - of direct investees
Centro Mineiro de Infusões	58.80%	643,782	506,926	136,856	6,262	80,544	3,682
Oncoclínicas Salvador	100%	13,526	4,688	8,838	(292)	8,838	(292)
Centro Paulista de Oncologia	99.50%	875,312	854,037	21,275	(11,830)	21,110	(11,771)
Oncopar	94.81%	104,796	11,605	93,191	1,485	88,240	1,408
Onco Participações	92.13%	83,562	305	83,257	690	77,202	636
RT Oncoclínicas São Paulo	50.00%	11,921	1,542	10,379	503	5,190	251
RT Oncoclínicas Recife	7.00%	49,155	41,928	7,227	(427)	506	(30)
Talassa Oncologia e Participacoes S.A.	28.58%	55,421	22,756	32,665	(1,214)	9,335	(347)
Louro Participacoes Ltda	39.74%	235,012	40,940	194,072	(927)	77,131	(368)
Onco Part. SP	45.78%	83,126	36	83,090	2,624	38,038	1,201
Oncobio	100.00%	80,356	47,453	32,903	(3,723)	32,903	(3,723)
Instituto Onc. De Ribeirão Preto	4.50%	10,211	4,749	5,462	1,089	246	49
Oncocentro Imagem	90.85%	165,614	66,169	99,445	4,992	90,049	4,535
CPO Paraíba	14.00%	20,496	10,961	9,535	1,524	1,335	213
Idengene	99.76%	154,868	93,294	61,574	(10,303)	61,427	(10,278)
Leste Fluminense	45.43%	120,106	46,384	73,722	5,500	33,511	2,499
Central de Gestão e Saúde	99.90%	2,625	845	1,780	500	1,778	500
Onco Part.ES RJ	99.99%	54,027	29,239	24,788	(958)	24,775	(958)
Jhsl Consultoria S.A.	25.77%	473	126	347	-	1,020	-
Total investment		2,764,389	1,783,983	980,406	(4,505)	653,178	(12,793)

Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the quarter	Investment amount	Profit or loss under the equity method - of direct investees
Oncohematologia	99.17%	34,479	42,060	(7,581)	886	(7,518)	878
RT Oncoclínicas Salvador	100.00%	-	6	(6)	(1)	(6)	(1)
RT Oncoclínicas Ribeirão Preto	99.00%	11	30	(19)	(1)	(19)	(1)
Oncoclínica - Centro Trat. Oncológico	100.00%	1,196,370	1,250,620	(54,250)	3,397	(54,250)	3,397
Pontus	50.01%	9,850	55,829	(45,979)	(12,149)	(22,994)	(6,076)
Radioterapia Oncoclínicas	99.00%	13,618	13,959	(341)	527	(337)	522
Total passivo descoberto		1,254,328	1,362,504	(108,176)	(7,341)	(85,124)	(1,281)
Total dos investimentos diretos		4,018,717	3,146,487	872,230	(11,846)	568,054	(14,074)

Posição patrimonial controladas das investidas diretas							
31 de março de 2021							
Sociedade	Participação	Total do Ativo	Total do Passivo	Patrimônio Líquido	Resultado do trimestre	Valor do Investimento	Resultado do MEP - das investidas diretas
Centro Mineiro de Infusões	100%	99,128	1,756	97,372	4,056	97,372	4,056
Oncoclínicas Salvador	100%	12,075	4,116	7,959	121	7,959	121
Centro Paulista de Oncologia	99.50%	400,180	362,076	38,104	6,301	37,913	6,269
Oncoclínica - Centro Trat. Oncológico	100.00%	833,551	773,633	59,918	(2,093)	59,918	(2,093)
Oncopar	99.99%	98,764	22,660	76,104	538	76,097	538
Onco Participações	99.99%	80,552	89	80,463	564	80,455	564
Oncohematologia	99.17%	70,074	37,768	32,306	(2,680)	32,038	(2,658)
Radioterapia Oncoclínicas	4.60%	52,521	45,414	7,107	(30)	327	(1)
Centro Exc. Radioterapia Rio de Janeiro	50.00%	14,436	2,282	12,154	(145)	6,077	(72)
Onco Part. SP	99.00%	75,480	11,381	64,099	1,537	63,458	1,521
Oncobio	60.00%	95,760	53,787	41,973	(5,496)	25,184	(3,298)
Instituto Onc. De Ribeirão Preto	4.50%	10,435	5,006	5,429	875	244	39
Oncocentro Imagem	100.00%	145,297	19,307	125,990	3,749	125,990	3,749
CPO Paraíba	14.00%	23,325	13,662	9,663	1,960	1,353	274
Leste Fluminense	33.49%	108,949	54,929	54,020	6,540	18,095	2,190
Boston Lighthouse	90.28%	8,109	24	8,085	(2,816)	7,299	(2,542)
Onco Part.ES RJ	99.99%	48,825	44,544	4,281	2,562	4,281	2,562
Total investment		2,177,461	1,452,434	725,027	15,543	644,060	11,219

Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the quarter	Investment amount	Profit or loss under the equity method - of direct investees
RT Oncoclínicas São Paulo	99.00%	12,221	12,795	(574)	21	(568)	21
RT Oncoclínicas Salvador	100.00%	-	7	(7)	1	(7)	1
RT Oncoclínicas Ribeirão Preto	99.00%	-	10	(10)	-	(10)	-
Central de Gestão e Saúde Idengene	99.90%	2,520	3,160	(640)	6	(640)	6
Locus	1.00%	35,156	40,390	(5,234)	(3,327)	(52)	(33)
Pontus	100.00%	5,898	7,814	(1,916)	(1,382)	(1,916)	(1.382)
	50.01%	32,595	38,524	(5,929)	(8,186)	(2,965)	(4.094)
Total equity deficit		88,390	102,700	(14,310)	(12,867)	(6,158)	(5.481)
Total direct investments		<u>2.265.851</u>	<u>1,555,134</u>	<u>710,717</u>	<u>2,676</u>	<u>637,902</u>	<u>5,738</u>

12. PROPERTY AND EQUIPMENT

Description	Annual Depreciation rates	Parent			
		Cost	March 31, 2022		December 31, 2021
			Accumulated depreciation	Balance	Balance
Machinery and equipment	10%	48,588	(12,994)	35,594	36,897
Facilities	10%	559	(318)	241	254
Furniture and fixtures	10%	3,595	(1,720)	1,875	1,923
Computers and peripherals	20%	6,666	(3,677)	2,989	3,315
Leasehold improvements	10%	20,089	(7,692)	12,397	12,846
Land	-	986	-	986	986
Advance for property and equipment	-	1,232	-	1,232	1,232
Construction in progress	-	4,611	-	4,611	3,840
Total		<u>86,326</u>	<u>(26,401)</u>	<u>59,925</u>	<u>61,293</u>
Description	Annual Depreciation rates	Consolidated			
		Cost	March 31, 2022		December 31, 2021
			Accumulated depreciation	Balance	Balance
Machinery and equipment	10%	364,351	(144,087)	220,264	169,823
Facilities	10%	11,093	(5,019)	6,074	6,162
Furniture and fixtures	10%	41,010	(18,417)	22,593	19,692
Computers and peripherals	20%	39,553	(20,371)	19,182	16,967
Leasehold improvements	10%	353,935	(100,182)	253,753	229,480
Company cars	25%	573	(572)	1	-
Land	-	4,853	-	4,853	2,044
Advance for property and equipment	-	1,514	-	1,514	1514
Construction in progress	-	51,545	-	51,545	32,323
Total		<u>868,427</u>	<u>(288,648)</u>	<u>579,779</u>	<u>477,916</u>

As at March 31, 2022, and December 31, 2021, no assets were pledged as collateral. Management has not identified significant changes in the useful lives of the assets part of its property and equipment and of its subsidiaries.

Leasehold improvements are amortized during the term of the lease contract and considers the expected renewal or disposal, when Management intends to exercise such right, and pursuant to the terms and conditions of the contracts. Land and construction in progress are not depreciated or amortized.

Parent	Machinery and equipment	Facilities		Furniture and fixtures	Computers and peripherals		Leasehold improvements	Land	Advance	Construction in progress	Total
Balance as at December 31, 2020	50,392	306	2,200	2,330	8,747	986	-	61	65,022		
Purchases	41	-	41	382	70	-	1,232	815	2,581		
Depreciation	(1,270)	(13)	(91)	(226)	(382)	-	-	-	(1,982)		
Write-offs	-	-	-	-	-	-	-	(1,129)	(1,129)		
Transfers	(7,834)	-	-	-	2,442	-	-	5,392	-		
Balance as at March 31, 2021	41,329	293	2,150	2,486	10,877	986	1,232	5,139	64,492		
Balance as at December 31, 2021	36,897	254	1,923	3,315	12,846	986	1,232	3,840	61,293		
Purchases	19	-	47	64	63	-	-	771	964		
Depreciation	(1,322)	(13)	(95)	(390)	(512)	-	-	-	(2,332)		
Balance as at March 31, 2022	35,594	241	1,875	2,989	12,397	986	1,232	4,611	59,925		

Consolidated	Machinery and equipment	Facilities	Furniture and fixtures	Computers and peripherals	Leasehold improvements	Company cars	Land	Advance	Construction in progress	Total
Balance as at December 31, 2020	131,166	12,187	15,895	10,362	178,759	26	1,564	-	53,334	403,293
Purchases	273	-	141	3,354	305	-	-	1,514	6,502	12,089
Depreciation	(3,834)	(254)	(399)	(742)	(4,765)	(18)	-	-	-	(10,012)
Write-offs	(3)	-	(16)	(18)	-	-	-	-	(2,441)	(2,478)
Transfers	75	-	286	-	8,492	-	-	-	(8,853)	-
Balance as at March 31, 2021	127,677	11,933	15,907	12,956	182,791	8	1,564	1,514	48,542	402,892
Balance as at December 31, 2021	169,823	6,162	19,602	16,967	229,481	-	2,044	1,514	32,323	477,916
New companies	48,633	163	2,863	2,171	13,004	1	2,809	-	17,285	86,929
Purchases	9,399	-	1,076	1,606	4,529	-	-	-	15,471	32,081
Depreciation	(7,590)	(251)	(921)	(1,561)	(6,795)	-	-	-	-	(17,118)
Write-offs	-	-	(28)	(1)	-	-	-	-	-	(29)
Transfers	-	-	-	-	13,534	-	-	-	(13,534)	-
Balance as at March 31, 2022	220,265	6,074	22,592	19,182	253,753	1	4,853	1,514	51,545	579,779

13. INTANGIBLE ASSETS

Oncoclínicas Group's intangible assets are comprised of systems and applications, exclusivity right, software development, trademarks and patents, partnership agreements and goodwill deriving from expected future earnings paid on the acquisition of investments that are justified in the estimated future cash flows, pursuant to future feasibility reports prepared by external specialists. Goodwill arising on the acquisition of investments in subsidiaries is reclassified from the group of investments in the Parent's individual interim financial information to intangible assets in the consolidated interim financial information.

The amounts recorded in intangible assets are broken down as follows:

Description	Annual Amortization rates	Parent			
		March 31, 2022		December 31, 2021	
		Cost	Accumulated amortization	Balance	Balance
Systems and applications	20%	16,250	(9,987)	6,263	3,739
Exclusivity right	20%	28,141	(16,221)	11,920	13,524
Software development	-	38,279	-	38,279	34,342
Goodwill	-	9,585	-	9,585	9,585
Trademarks and patents	-	270	-	270	270
Intellectual property	20%	9,854	(406)	9,448	8,953
Total		102,379	(26,614)	75,765	70,413

Description	Annual Amortization rates	Consolidated			
		March 31, 2022		December 31, 2021	
		Cost	Accumulated amortization	Balance	Balance
Systems and applications	20%	43,214	(31,630)	11,584	11,296
Software and project development	-	116,141	-	116,141	100,569
Exclusivity right	20%	71,769	(44,380)	27,389	30,042
Goodwill on acquisition of investments	-	1,642,523	-	1,642,523	1,168,973
Partnership agreement	8,3%	964,201	(54,466)	909,735	915,560
Trademarks and patents	-	759	-	759	759
Intellectual property	20%	12,188	(406)	11,782	11,210
Total		2,850,795	(130,882)	2,719,913	2,238,409

As at March 31, 2022, and December 31, 2021, no rights were pledged as collateral. Management has not identified significant differences in the useful lives of the assets part of its intangible assets and of its subsidiaries.

No losses were identified and recognized related to the impairment of intangible assets as at March 31, 2022 and December 31, 2021.

	Parent						Total	
	Systems and applications	Software development	Goodwill - Oncocentro	Exclusivity right	Trademarks and patents	Intellectual property		
Balance as at December 31, 2020	4,076	35,185	9,585	22,283	269	-	71,398	
Purchases	503	6,290	-	-	-	-	6,793	
Amortization	(421)	-	-	(2,344)	-	-	(2,765)	
Balance as at March 31, 2021	4,158	41,475	9,585	19,939	269	-	75,426	
Balance as at December 31, 2021	3,739	34,342	9,585	13,524	269	8,954	70,413	
Purchases	2,984	3,937	-	-	-	495	7,416	
Amortization	(460)	-	-	(1,604)	-	-	(2,064)	
Balance as at March 31, 2022	<u>6,263</u>	<u>38,279</u>	<u>9,585</u>	<u>11,920</u>	<u>270</u>	<u>9,448</u>	<u>75,765</u>	
	Consolidated							
	Systems and applications	Software development	Partnership agreements (i)	Goodwill on acquisition of investments	Exclusivity right (ii)	Trademarks and patents	Intellectual property	Total
Balance as at December 31, 2020	11,238	60,503	482,122	602,404	41,220	746	-	1,198,233
Purchases	640	8,408	-	252	-	-	-	9,300
Amortization	(1,114)	-	(4,387)	-	(3,961)	(10)	-	(9,472)
Foreign exchange fluctuation	-	-	-	3,223	-	-	-	3,223
Balance as at March 31, 2021	10,764	68,911	477,735	605,879	37,259	736	-	1,211,698
Balance as at December 31, 2021	11,296	100,569	915,560	1,168,973	30,042	759	11,210	2,238,409
New companies	1,152	11	-	-	-	-	-	1,163
Purchases	624	15,327	-	472,215	-	-	572	488,738
Amortization	(1,254)	-	(5,825)	-	(2,653)	-	-	(9,732)
Foreign exchange fluctuation	-	-	-	(3,642)	-	-	-	(3,642)
Other variations	-	-	-	4,977	-	-	-	4,977
Transfers	(234)	234	-	-	-	-	-	-
Balance as at March 31, 2022	<u>11,584</u>	<u>116,141</u>	<u>909,735</u>	<u>1,642,523</u>	<u>27,389</u>	<u>759</u>	<u>11,782</u>	<u>2,719,913</u>

(i) Partnership agreements

Partnership agreement entered into at the Company refers to partnerships with other healthcare institutions for the purchase of the customer portfolio. Oncoclínicas contributes certain amount to the partner institution and as a contra entry the institution indicates and transfers to Oncoclínicas units the patients who need any oncology-related care. Amortization occurs during the term of each partnership agreement.

(ii) Exclusivity right

The non-compete right recorded in Oncoclínicas Group companies refers to clauses set out in the medical service agreements, which provide for the exclusivity right of these service providers. The average term of the agreements is five years.

14. RIGHT OF USE - LEASE

The Group leases properties for its operations, including buildings. The average lease term is 10 years. Oncoclínicas Group's obligations are collateralized by the ownership of the leased assets.

14.1. Right-of-use assets

Variations

	<u>Parent</u>
Balance as at 12/31/2020	24,693
Addition	-
Amortization	(1,167)
Balance as at 03/31/2021	<u>23,526</u>
Balance as at 12/31/2021	20,799
Addition/ remeasurement	1,142
Amortization	(1,317)
Balance as at 03/31/2022	<u><u>20,624</u></u>

	<u>Consolidated</u>		
	<u>Properties</u>	<u>Machinery and equipment</u>	<u>Total</u>
Balance as at 12/31/2020	210,313	10,903	221,216
Addition	-	-	-
Amortization	(8,004)	(383)	(8,387)
Balance as at 03/31/2021	<u>202,309</u>	<u>10,520</u>	<u>212,829</u>
Balance as at 12/31/2021	241,328	9,823	251,151
New companies	24,842	-	24,842
Addition	1,241	-	1,241
Amortization	(7,860)	(270)	(8,130)
Balance as at 03/31/2022	<u><u>259,552</u></u>	<u><u>9,553</u></u>	<u><u>269,104</u></u>

14.2. Lease liabilities

Liabilities were measured at the present value of the remaining lease payments discounted based on the average incremental rate of 7.72% p.a. as at March 31, 2022 and 7.37% p.a. as at March 31, 2021.

Due to the maturity and renewal of some lease contracts, they were remeasured at the new monthly amount, which additional amounts were classified as addition/remeasurement and write-off.

Variations:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at 12/31/2020	26,572	233,177
Addition/ remeasurement	-	-
Principal repayments	(1,154)	(5,997)
Interest payment	(428)	(3,247)
Interest	555	2,920
Balance as at 03/31/2021	<u>25,545</u>	<u>226,853</u>
Balance as at 12/31/2021	23,209	269,671
New companies	-	24,842
Addition/ remeasurement	1,142	1,241
Principal repayments	(1,211)	(6,511)
Interest payment	(530)	(4,800)
Interest	501	4,864
Balance as at 03/31/2022	<u>23,111</u>	<u>289,307</u>
Current	4,945	39,021
Noncurrent	18,166	250,286

As at March 31, 2022, noncurrent is broken down as follows:

	<u>Parent (nominal)</u>	<u>Consolidated (nominal)</u>
2022	5,032	33,753
2023	6,394	44,416
2024	5,448	38,858
2025	4,627	33,390
2026	2,197	26,171
2027 and thereafter	4,687	327,778
Total	<u>28,386</u>	<u>504,368</u>
Embedded interest	(5,275)	(215,061)
Lease liability	<u>23,111</u>	<u>289,307</u>

Although the accounting methodology used by the Company is in line with the rule set out in CPC06(R2)/IFRS16, it generates misstatements in the information to be provided due to the mismatching between cash flow and present value, given the current reality of the long-term interest rates in the Brazilian economic environment. Accordingly, the Company recalculated the depreciation and finance charge amounts for the total term of the contracts in effect as at March 31, 2022, based on a future cash flow that incorporates the expected inflation (nominal flow).

Pursuant to Circular Letter/CVM/SNC/SEP/02/2019, the Company presents the comparative balances of lease liabilities and their respective finance costs, right-of-use assets and their related depreciation expenses, considering the effect from future projected inflation on the flows of lease contracts, discounted at the nominal rate:

	Mar/ 2022	Dec/ 2022	Dec/ 2023	Dec/ 2024	Dec/ 2025	Dec/ 2026	Dec/ 2027	Dec/ 2028	Dec/ 2029	Dec/ 2030	Jan/2031 and thereafter
IPCA	6.92%	3.80%	3.20%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Lease asset:											
Balance sheet	269,104	247,466	219,698	196,543	178,696	166,329	155,581	146,383	137,473	129,657	122,587
Projected flow	287,726	256,870	226,728	202,439	184,057	171,319	160,248	150,774	141,597	133,547	126,265
Lease liability:											
Balance sheet	289,308	243,237	236,969	211,935	190,698	173,356	162,012	152,057	143,595	134,924	127,349
Projected flow	309,328	252,480	244,552	218,293	196,419	178,557	166,872	156,619	147,903	138,972	131,169
Finance costs:											
Balance sheet	(4,750)	(12,816)	(16,083)	(14,322)	(12,749)	(11,529)	(10,713)	(10,009)	(9,385)	(8,778)	(8,266)
Projected flow	(5,079)	(13,303)	(16,598)	(14,752)	(13,131)	(11,875)	(11,034)	(10,309)	(9,667)	(9,041)	(8,514)
Depreciation expenses:											
Balance sheet	(8,130)	(21,638)	(27,768)	(23,155)	(17,847)	(12,367)	(10,748)	(9,198)	(8,910)	(7,816)	(7,070)
Projected flow	(8,693)	(22,460)	(28,657)	(23,850)	(18,382)	(12,738)	(11,070)	(9,474)	(9,177)	(8,050)	(7,282)

The Company has no potential recoverable PIS/Pasep and COFINS embedded in the lease consideration.

15. TRADE PAYABLES

The amounts recorded as trade payables are mainly represented by balances payable to domestic suppliers of medicine, medical services and sundry suppliers. These medicines are used in oncological and hospital procedures.

16. BORROWINGS AND FINANCING

Borrowings and financing are broken down as follows:

Description	Index / interest	Maturities	Parent		Consolidated	
			03/31/2022	12/31/2021	03/31/2022	12/31/2021
Financing	100% of IPCA + 1.85% p.a. 2.82% p.a. / 6.63% p.a. to 10.69% p.a.	04/15/2030	-	-	90,407	73,998
CCB / working capital	100% of CDI + 2.43% to 3.50% p.a.	11/30/2025	35,179	70,531	914,211	910,350
Law 4,131 (i)	100% of LiborUSD + 2.49% (L)	08/05/2024	-	-	84,067	134,031
FINEP (ii)	100% of TJLP + 0.5% p.a.	12/15/2031	40,319	40,118	40,319	40,118
			<u>75,498</u>	<u>110,649</u>	<u>1,129,004</u>	<u>1,158,497</u>
Current			35,631	70,623	317,534	353,370
Noncurrent			39,867	40,026	811,470	805,127

- (i) The Company contracted swaps to hedge against the fluctuations of foreign currencies on the borrowing date, under the same terms and conditions of the original borrowing agreement. Swaps are disclosed in the balance sheet in line item "Derivative financial instruments", as shown below. As at March 31, 2022, finance charges correspond to approximately 100% of the CDI rate + 2.67% p.a.

Derivative financial instruments

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Derivatives - swap	-	-	14,872	2,558

2022

The swap transaction was carried out in March 2021, maturing within a 18-month period. Such financial instrument is measured at fair value through profit or loss. As at March 31, 2022, the curve value is R\$14,651. The average finance charges are equivalent to approximately 100% of the CDI rate + 2.67% p.a. The long and short positions are disclosed in note 28.

2021

The swap transaction was carried out in March 2021, maturing within a 18-month period. Such financial instrument is measured at fair value through profit or loss. As at March 31, 2021, the curve value is R\$2,745. The average finance charges are equivalent to approximately 100% of the CDI rate + 2.67% p.a. The long and short positions are disclosed in note 28.

- (ii) The Company has a financing agreement with FINEP in the total amount of R\$93,462, of which R\$40,319 had already been disbursed. The balance to be disbursed as at March 31, 2022 was R\$53,143.

Balances classified in noncurrent liabilities according to their maturities are as follows:

Settlement flow	Parent	Consolidated
2022	35,473	257,109
2023	2,720	318,305
2024	4,663	315,612
2025	4,663	151,683
2026	4,663	35,718
2027 and thereafter	23,316	50,577
	75,498	1,129,004

The variations in the balances of borrowings and financing are as follows:

	Parent	Consolidated
Balance as at December 31, 2020	554,207	1,399,156
Additions	18,060	155,952
Interest incurred	9,685	19,996
Principal repayment	(151,899)	(153,328)
Foreign exchange fluctuation	153	343
Payment of finance charges	(16,266)	(30,593)
Balance as at March 31, 2021	413,940	1,391,526
Balance as at December 31, 2021	110,649	1,158,497
New companies	-	44,789
Additions	-	69,660
Interest incurred	2,543	37,860
Principal repayment	(35,000)	(143,588)
Transfer of financial instrument - swap	-	(12,650)
Foreign exchange fluctuation	-	(498)
MTM	-	221
Payment of finance charges	(2,694)	(25,287)
Balance as at March 31, 2022	75,498	1,129,004

The Company has credit lines with banks for use in working capital management, acquisition of hospital equipment for the Oncoclínicas Group's clinics, construction works in Group's clinics and acquisition of new clinics.

Oncoclínicas Group's exposure to interest rate risks and the sensitivity analysis for borrowings and financing are disclosed in note 28.

The Company has certain borrowings and financing that provide for accelerated maturity events and are subject to covenants.

As at March 31, 2022 and December 31, 2021, the Company and its subsidiaries are compliant with the financial and non-financial covenants. The financial ratios established in the borrowing agreements are equivalent to those mentioned in note 17 below.

17. DEBENTURES

	<u>03/31/2022</u>	<u>12/31/2021</u>
	<u>Consolidated</u>	<u>Consolidated</u>
1 st issue	<u>1,009,837</u>	<u>999,646</u>
Current	18,466	2,540
Noncurrent	991,371	997,106

Variations in debenture balances as at March 31, 2022 are as follows:

	<u>Consolidated</u>
Balance as at December 31, 2021	999,646
Debenture cost	(5,398)
Interest incurred	30,149
Payment of finance charges	(14,560)
Balance as at March 31, 2022	<u>1,009,837</u>

As at March 31, 2022, the Group is compliant with the financial and non-financial covenants of its debenture indentures.

Interest on the Group's debentures correspond to CDI + 2.40% p.a. and CDI + 2.35% p.a. for Centro Paulista de Oncologia S.A and Multihemo Serviços Médicos S.A, respectively. Interest is paid semiannually for debentures of Multihemo Serviços Médicos S.A ("Multihemo") and quarterly for Centro Paulista de Oncologia S.A. ("CPO").

<u>Settlement flow</u>	<u>Consolidated</u>
2022	18,466
2023	-
2024	42,308
2025	281,731
2026	281,731
2027 and thereafter	385,601
	<u>1,009,837</u>

18. PAYROLL AND RELATED TAXES

The amounts recorded as payroll and related taxes are broken down as follows:

<u>Description</u>	<u>Parent</u>		<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Salaries and wages	-	-	8,006	7,293
Social security contribution (INSS)	1,758	1,755	10,978	8,061
Severance pay fund (FGTS)	513	662	1,438	1,672
Withholding income tax (IRRF) on payroll	3,863	883	3,788	1,614

Description	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Accrued vacation, 13th salary and related taxes	15,413	12,893	55,772	39,293
Accrued profit sharing (a)	6,626	11,701	9,263	22,100
Accrued Phantom Shares charges (b)	5,245	12,294	5,245	12,294
Other	-	-	1,392	104
Total	33,418	40,188	95,882	92,431
Current	28,173	27,894	90,637	80,137
Noncurrent	5,245	12,294	5,245	12,294

(a) Oncoclínicas Group has a profit sharing program for employees, based on the profit recorded at every period/year. The annual amount payable is set based on results and performance indicators.

(b) Phantom Shares Program

The Company launched a compensation program consisting of granting stock appreciation rights ("phantom shares").

In the last quarter of 2021, contractual addenda were entered into with certain beneficiaries, which changed the settlement method of the obligations recognized, from cash settlement to equity instrument settlement.

In light of this new scenario, the Company accessed the criteria prescribed by CPC 10 - R1 (equivalent to international standard IFRS 2) and concluded that, based on the new facts and circumstances, the reclassification of the program to equity settle is appropriate. Accordingly, during the last quarter of 2021, the Company adjusted the fair value of the obligations arising from this program as a contra entry to profit or loss for the year. Additionally, the Company reclassified to equity, the amounts deriving from these instruments, and the balance in liabilities as at March 31, 2022 derives from tax and social security obligations to be paid by the Company in cash.

The breakdown of the balances classified in noncurrent liabilities is as follows:

	03/31/2022	12/31/2021
Provision	-	-
Withholding income tax (IRRF)	-	4,675
Social security contribution (INSS)	3,705	4,583
Severance pay fund (FGTS)	473	890
Other	1,067	2,146
Total	5,245	12,294

Variations in the balance recorded in liabilities deriving from the amounts accrued relating to these obligations are as follows:

Balance as at December 31, 2021	12,294
Adjustment to the fair value against tax gain or loss	1,025
Payment of payroll taxes	(3,399)
Payment of withholding income tax	(4,675)
Balance as at March 31, 2022	<u>5,245</u>

The fair value of stock options granted to executives was measured using the Black & Scholes method, which took into consideration the following main assumptions: (i) price of the underlying share; (ii) option exercise price; (iii) risk-free interest rate; (iv) dividend rate; (v) volatility; (vi) lifetime of instruments; (vii) grace period, as shown below:

	<u>Assumptions</u>
Price of the underlying share	8.48
Option average exercise price	5.84
Risk-free interest rate	4.1% to 8.4%
Dividend rate	0.0%
Expected average volatility	40.6%
Average lifetime of instruments	8 years
Grace period	1 year

As at December 31, 2021 and March 31, 2022, total options granted is 18,055,800, and there were no new grants or settlement during the three-month period ended March 31, 2022.

As shown in the table above, during the year ended March 31, 2022, the Company incurred expenses on the share payment plan adjustment in the amount of R\$1,025 (R\$8,418 as at March 31, 2021).

19. TAXES PAYABLE

The amounts recorded as taxes payable are broken down as follows:

Description	Parent		Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Withholding income tax (IRRF)	764	619	3,796	3,388
Service tax (ISSQN)	630	627	31,725	28,765
Taxes on revenue (PIS and COFINS)	2,190	2,801	20,950	19,514
Federal withholding taxes	1,446	920	4,067	3,621
Taxes in installments (ii)	-	-	20,438	10,697
PERT (i)	-	-	2,107	2,167
Tax on Financial Transactions (IOF)	2,361	2,381	3,390	3,654
Other	235	261	4,695	4,402
Total	<u>7,626</u>	<u>7,609</u>	<u>91,168</u>	<u>76,208</u>
Current	7,626	7,609	75,730	68,904
Noncurrent	-	-	15,438	7,304

(i) Special Tax Regularization Program (PERT)

The Special Tax Regularization Program (PERT) was established in 2017 for payment in installments of federal tax debts held by an individual or legal entity, of public or private law, within the scope of the Brazilian Federal Revenue Service and/or General Attorneys' Office of the National Treasury.

The adhesion to PERT was made through a request filed until November 14, 2017 for debts past due up to April 30, 2017.

Adhesion to the Special Tax Regularization Program (PERT)

The Company elected to adhere to the PERT, including debts such as PIS, COFINS, IRPJ, CSLL, IOF, and installment payments included or not in the Federal executable tax debts. The decision made was to include the debts managed by the Brazilian Federal Revenue Service in cash, upon the use of tax loss carryforwards, calculated by the Parent, for payment of the remaining balance, pursuant to §1, art.2 of Law 13,496/17, and the debt managed by the General Attorneys' Office of the National Treasury, payable in 145 installments, pursuant to letter b, item II, art. 3 of Law 13,496/17.

The PERT effects were recognized as at December 31, 2017, with adhesion date of November 14, 2017. The PERT was recorded and segregated between expenses on taxes and fees (principal) and finance income or costs (fine and interest). Management is responsible for maintaining its regular tax standing, both to meet the Group's governance policies and to avoid being excluded from the program and subject to immediate collection of all debts recognized and not yet paid.

(ii) Taxes in installments are as follows:

	Consolidated	
	03/31/2022	12/31/2021
Municipal	1,743	735
Federal	18,695	9,962
	<u>20,438</u>	<u>10,697</u>

The increase in tax in installments in the first quarter of 2022 derives from new acquisitions, in the amount of R\$10,000

20. PAYABLES FOR ACQUISITIONS

	Parent	
	03/31/2022	12/31/2021
Acquired subsidiaries		
Centro Paulista de Oncologia	36,627	35,533
Total	<u>36,627</u>	<u>35,533</u>
Current	1,392	1,163
Noncurrent	35,235	34,370

Acquired subsidiaries	Consolidated	
	03/31/2022	12/31/2021
Multihemo	54,838	53,374
Hospital de Oncologia do Méier	23,354	22,801
Pro-Onco	8,795	8,597
IRA	1,730	1,692
Instituto Materno Infantil de Minas Gerais	52,036	49,754
Centro Paulista de Oncologia	36,627	35,533
Centro Paraibano de Oncologia	21,046	20,675
Núcleo de Oncologia de Sergipe	20,385	19,642
Hematológica	46,333	46,611
Centro Brasileiro de Radioterapia Oncologia e Mastologia	100,291	98,040
CTR Centro de Tratamento Radioterapico	30,206	29,528
Clion	160,205	-
CEMISE	35,019	-
Microimagem	4,076	-
Complexo Hospitalar Uberlândia	67,327	66,012
UMC Imagem e ICT	2,576	2,252
Total	<u>664,844</u>	<u>454,507</u>
Current	196,372	83,191
Noncurrent	468,472	371,316

Payables for acquisition of companies include Purchase and Sale Agreements arising from installments payable retained. Payables for acquisitions are subject to finance charges based on 100% of the CDI and/or IPCA and IGP-M rates fluctuation.

The balance of payables comprise instruments measured at fair value both at the transaction date and in each closing period. The fair value of these contingent considerations as at March 31, 2022 is R\$278,388.

Variations in payables for acquisitions are as follows:

	Parent	Consolidated
Balance as at December 31, 2020	27,792	204,739
Additions	-	744
Interest incurred	42	8,995
Principal repayment	(8,518)	(19,261)
Payment of finance charges	(44)	(44)
Balance as at March 31, 2021	<u>19,272</u>	<u>195,738</u>
Balance as at December 31, 2021	35,533	454,507

	<u>Parent</u>	<u>Consolidated</u>
Additions	-	531,216
Interest incurred	1,616	16,906
Principal repayment	(376)	(272,064)
Capitalization - Capital contribution (*)	-	(65,277)
Payment of finance charges	(146)	(444)
Balance as at March 31, 2022	<u>36,627</u>	<u>664,844</u>

(*) Refers to the utilization of credit of the balance payable to shareholders, for the Company's capital increase, which shareholders were included in the Company's shareholding structure, as mentioned in note 23 (c).

Balances classified in noncurrent liabilities according to their maturities are as follows:

<u>Settlement flow</u>	<u>Parent</u>	<u>Consolidated</u>
2022	719	85,140
2023	1,659	206,131
2024	2,169	45,706
2025	2,469	158,992
2026	29,611	159,141
2027 and thereafter	-	9,734
	<u>36,627</u>	<u>664,844</u>

21. OTHER LIABILITIES

<u>Description</u>	<u>Parent</u>		<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>	<u>03/31/2022</u>	<u>12/31/2021</u>
Subsidiary's equity deficit (a)	85,124	26,198	-	-
Corporate right (b)	6,379	8,155	10,020	12,607
Redemption of shares (c)	-	-	64,306	62,862
CSSJ partnership (d)	-	-	11,458	14,432
Unimed Partnership	-	-	10,000	23,000
Payables - Fundação Ary (e)	6,051	6,551	6,051	6,551
Royalties payable (f)	-	-	11,117	10,630
Other payables	776	1,502	4,902	11,520
Total	<u>98,330</u>	<u>42,406</u>	<u>117,854</u>	<u>141,602</u>
Current	8,806	11,856	79,390	91,246
Noncurrent	89,524	30,550	38,464	50,356

a. Balance relating to the allowance for investment losses on subsidiaries by the Company, as shown in note 11.

- b. Balance payable relating to the exclusivity right of medical services. The contra entry to the obligations assumed is recorded part of intangible assets (see note 13). Maturities occur on a monthly basis, according to the provision of services during the term of the agreement and amounts payable are not subject to adjustment. The average term of the agreements is five years.
- c. The balance of redemption of shares refers to the shareholders' agreement, whereby Oncoclínicas Group approves the redemption of all preferred shares, with subsequent cancellation of these shares and without decreasing capital, as well as the extinguishment of redeemable preferred shares, by the noncontrolling shareholders of the following entities controlled by the Group. These amounts are adjusted by the IPCA, as set forth in the agreement, and the maturities range from 2023 to 2026.
- d. Balance payable relating to the contractual right under the partnership with Casa de Saúde São Jose (CSSJ), as mentioned in note 13. Amounts calculated are not subject to adjustment. In 2022, the amount of R\$2,974 was settled.
- e. Balance payable to Fundação Ary Frauzino (Foundation), relating to the arrangement set out in the purchase and sale agreement concerning the equity interest in Hospital Marcos Moraes, whereby Oncoclínicas agreed to provide financial resources to the Foundation, for the implementation of research, education and health care initiatives in the oncology area, over a period of five years. Amounts are adjusted on a monthly basis by the IGP-M as set forth in the agreement. The total balance will be settled in 2025.
- f. Balance payable relating to the adjustment installments (IGPM/FGV) of the medical service partnership agreement entered into with Hospital Felício Rocho. The contra entry of the obligations assumed was recognized as part of the intangible assets. Settlement will take place in 2022.

22. PROVISIONS FOR TAX, LABOR AND CIVIL RISKS

Oncoclínicas Group records provisions to cover its potential liabilities. Based on the information provided by its legal counsel, the analysis of these matters and according to the likelihood of loss on each lawsuit, a provision considered sufficient to cover probable losses was recognized, for which a cash outflow is probable.

The provisions for risks are as follows:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Civil	58	-	17,683	14,752
Tax	1,082	1,060	25,163	14,338
Labor	34	8	12,576	12,044
	<u>1,174</u>	<u>1,068</u>	<u>54,542</u>	<u>41,134</u>

Provisions of tax nature derive mainly from challenges related to the writ of security and objection to the tax assessment notice.

Lawsuits of labor nature derive mainly from claims for review of taxes paid, review of payment of overtime.

As part of the allocation of the purchase price for the acquisition of the CAM Group companies and Microimagem (see note 4), an amount of R\$1,307 was identified relating to risks concerning civil and labor matters, which were considered in the process for accounting for business combinations, with a total balance of R\$34,541 for the combinations in 2021. Considering that the purchase and sale agreement contains mechanisms for indemnification by the sellers, these amounts were recognized as a contra entry to the indemnifying asset (see note 10), as prescribed by IFRS 3/CPC 15.

Variations in the balance of provisions are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2020	652	20,066
Reversal of provisions	-	(3)
Recognitions	26	618
Balance as at March 31, 2021	<u>678</u>	<u>20,681</u>
Balance as at December 31, 2021	1,068	41,134
New companies	-	8,809
Adjustment to indemnifiable asset	-	947
Reversal of provisions	(618)	(952)
Recognitions	724	4,604
Balance as at March 31, 2022	<u>1,174</u>	<u>54,542</u>

Oncoclínicas Group monitors administrative proceedings and lawsuits to which it is a party as “plaintiff” or “defendant” and, based on the opinion of its legal counsel, classifies lawsuits according to the likelihood of loss. The jurisprudence trends and case laws are periodically analyzed and the risks related to these lawsuits are reclassified, if necessary.

Possible losses, not provided for

The Group is a party to tax, civil and labor lawsuits, assessed by Management as possible losses, based on the opinion of its legal counsel, for which no provision was recognized. The estimated amounts are broken down as follows:

	<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>
Civil (i)	14,308	15,224
Labor (ii)	10,319	7,561
Tax (iii)	2,533	3,801
	<u>27,160</u>	<u>26,586</u>

- (i) Lawsuits related to the indemnity alleged for property damages and pain and suffering. There is no individually relevant lawsuit.
- (ii) The main claims refer to lawsuits related mainly to overtime, 13th salary, prior notice, vacation and FTGS, among others. There is no individually relevant lawsuit.
- (iii) Lawsuit related to tax execution for collection of two executable debts certificates (CDAs).

Considering the complexity of the lawsuits, as well as the entire Brazilian legal system, the Company is unable to accurately estimate the judgment period and whether disbursement will be made in relation to these lawsuits.

As at March 31, 2022 and December 31, 2021, escrow deposits are broken down as follows:

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Labor	-	-	7,930	2,074
Tax	7,850	7,850	8,855	10,525
	<u>7,850</u>	<u>7,850</u>	<u>16,785</u>	<u>12,599</u>

The Company made escrow deposits that are adjusted based on the Selic rate, as from the actual deposit date. The amount of R\$16,785, including legal disputes related to tax and labor matters, in which we highlight the following deposits: (i) recovery of ICMS credit on import of surgical equipment in the amount of R\$6,013 and (ii) several escrow deposits related to labor claims in progress.

23. EQUITY

(a) Capital

As at March 31, 2022, the Company's capital is R\$2,207,134, fully paid in, represented by 495,357,723 common shares.

As at March 31, 2022, the shareholding structure is as follows:

Shareholder	Voting capital	Common shares
Goldman Sachs	62.05%	307,368,122
Bruno Ferrari	3.34%	16,565,933
Management	0.61%	3,033,373
Treasury shares	4.15%	20,573,688
Free float	29.84%	147,816,607
	<u>100.00%</u>	<u>495,357,723</u>

In the first quarter of 2021, the amount of R\$5,339, which was subscribed by shareholders, was paid in. This transaction had no cash effect, carried out through capitalization of intragroup balances with shareholder.

Share-based payment

The plan fully granted to the Company's executives corresponds to a total of 32,670,000 virtual shares, under an individual agreement between each beneficiary and the Company, of which 14,614,200 virtual shares were exercised and 18,055,800 remain active. During the first quarter of 2022, there was no cancellation of shares granted.

The adjusted amount for the first quarter of 2022, corresponding to shares granted was R\$4,261, the program amount recognized in the Company's equity is R\$16,638.

The estimated withholding income tax on the amounts of the grants to be settled in the future is R\$4,501.

(b) Dividend distribution policy

The Company's bylaws provides for that up to 5% of profit for the year can be allocated to the recognition of the legal reserve, until the balance reaches 20% of the Company's capital. The amount necessary can be allocated, if applicable, to the provision for risks, pursuant to art. 195 of Law 6,404/76.

Also, the Company can keep the statutory earnings reserve called "investment reserve", which will be intended to finance the development, growth and expansion of the Company's business.

The dividend distribution policy complies with the provisions in the Brazilian Corporate Law, which provides for annual distribution; the Company can also, as decided by the Board of Directors, prepare semiannual, quarterly or monthly balance sheet and declare dividends out of the earnings recognized in these balance sheets. The Board of Directors may also declare interim dividends against the existing earnings reserve based on the last annual or semiannual balance sheet. Shareholders are entitled to minimum dividend corresponding to 25% of profit for the year as set forth in the Company's bylaws. As at December 31, 2020, Oncoclinicas do Brasil S.A recognized accumulated losses and, therefore, did not distribute dividends to its shareholders.

As at March 31, 2022, the Company recognizes a total amount of R\$18,975 as accrued dividends payable to noncontrolling shareholders (R\$24,102 as at December 31, 2021).

(c) Transactions between shareholders

(i) Increase and decrease of equity interests

In March 2021, the purchase and sale agreement was entered into with shareholder Núcleo de Oncologia da Bahia, whereby Centro Mineiro de Infusão acquired an additional 1% stake, and became the holder of 80.65% stake. The goodwill arising on the transaction was R\$518 thus reducing equity. The effect was R\$225 on the equity of noncontrolling shareholders.

In January 2022, Centro de Tratamento Oncoclínicas started to comprise the shareholding structure of Núcleo de Oncología da Bahia, by subscribing and contributing capital, without participation of other shareholders. This transaction resulted in loss of R\$4,041 attributable to the equity of controlling shareholders and gain of R\$3,761 attributable to the equity of noncontrolling shareholders .

(ii) Capital increase and capital transactions

In the first quarter of 2021, the general meetings approved matters related to capital decreases in Radiogroup in the amount of R\$400.

In 2022, the amount of R\$65,277 refers to the capital increase carried out by the noncontrolling shareholders of CAM, which started to comprise the shareholding structure of Núcleo de Oncologia da Bahia. The amount was offset in the balance of acquisitions payable for the interest acquired in CAM by Núcleo, pursuant to note 20.

24. REVENUES

The reconciliation of gross revenue with net revenue is as follows:

Description	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Gross revenue:				
Healthcare services	48,113	45,816	879,387	657,308
Taxes on sales and other deductions:				
PIS on sales	(306)	(297)	(5,549)	(4,045)
COFINS on sales	(1,411)	(1,371)	(25,576)	(18,679)
ISS on sales	(1,436)	(1,335)	(21,846)	(16,348)
Allowance for expected credit losses and provision for disallowances	(438)	8,123	(18,464)	(3,684)
	(3,591)	5,120	(71,435)	(42,756)
Net revenue	44,522	50,936	807,952	614,552

Gross revenue includes unbilled revenue relating to services provided but not yet billed by healthcare operators. These services are recognized in profit or loss based on the percentage-of-completion of the service on the date of disclosure of the interim financial information, with a contra entry to 'trade receivables'.

The concentration of the Company's net revenue is distributed in such a way that, in the three-month period ended March 31, 2022, only one customer concentrated a share of more than 18% of net revenue and all other customers, if analyzed individually, accounted for volumes of less than 14% of the Company's total net revenue. In addition, the two customers with the highest concentration of sales have a share of less than 33% of the Company's total net revenue.

25. COST AND EXPENSES BY NATURE

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Healthcare costs and medicines	(30,281)	(27,993)	(482,441)	(374,427)
Personnel, charges and bonus	(43,681)	(25,906)	(117,389)	(87,743)
Expenses on Phantom Shares	(5,287)	(8,418)	(5,287)	(8,418)
Expenses on outside services	(21,877)	(14,548)	(54,910)	(32,744)
Rental and common area management fee	-	(452)	(5,897)	(7,026)
Infrastructure expenses	(1,263)	(395)	(10,371)	(4,976)
Travel expenses	(1,322)	(420)	(2,955)	(796)
Use and consumption	(306)	(418)	(4,585)	(3,189)
Communication expenses	(703)	(757)	(1,827)	(1,477)
Depreciation and amortization	(5,713)	(5,914)	(34,980)	(27,871)
Write-off of property and equipment	-	(1,129)	(29)	(2,478)
CSO - Apportionment of expenses (i)	53,461	34,604	-	69
Provision for contingencies	(106)	(26)	(2,026)	(615)
Other income (expenses)	(3,234)	(2,330)	(12,684)	(9,878)
	(60,312)	(54,102)	(735,381)	(559,160)

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cost of services	(32,205)	(29,605)	(536,621)	(419,782)
Administrative expenses	(28,790)	(24,281)	(200,404)	(139,581)
Other operating income (expenses)	683	(216)	1,644	203
Total	<u>(60,312)</u>	<u>(54,102)</u>	<u>(735,381)</u>	<u>(559,160)</u>

- (i) CSO apportionment: refers to the apportionment of costs and expenses of the Oncoclínicas Group's shared center, centralized in the Parent and apportioned between its subsidiaries, according to criteria defined by Management.

26. FINANCE INCOME (COSTS)

	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Finance income:				
Income from short-term investments	12,076	492	40,142	3,334
Discounts obtained	6	9	202	182
Interest receivable	-	-	-	-
Interest receivable on intragroup loans	1,110	319	514	-
Derivative liabilities (swap)	-	3,828	-	3,828
Exchange gains	-	-	-	168
PIS and COFINS on finance income	(620)	(171)	(2,532)	(439)
Other finance income	145	2,850	3,185	2,904
	<u>12,717</u>	<u>7,327</u>	<u>41,511</u>	<u>9,809</u>
Finance costs:				
Interest expense on borrowings	(2,543)	(9,685)	(37,860)	(19,996)
Interest expense on debentures	-	-	(30,149)	-
Tax on Financial Transactions (IOF)	(166)	(105)	(970)	(478)
Interest expense on acquisitions	(1,613)	(42)	(16,906)	(8,995)
Bank fees	(89)	(52)	(311)	(152)
Discounts granted	(3)	-	(178)	-
Interest payable on intragroup borrowings	-	(554)	-	(312)
Derivative liabilities (swap)	-	-	(221)	-
Interest on lease liabilities	(501)	(555)	(4,864)	(2,920)
Other finance costs	(931)	(1,435)	(6,613)	(4,606)
	<u>(5,846)</u>	<u>(12,428)</u>	<u>(98,072)</u>	<u>(37,459)</u>
Finance income (costs)	<u>6,871</u>	<u>(5,101)</u>	<u>(56,561)</u>	<u>(27,650)</u>

27. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share are calculated by dividing profit or loss attributable to the Company's shareholders by the weighted average number of common shares issued in the period, excluding common shares bought by the Company and held in treasury.

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares, considering the conversion of all potential common shares that would result in dilution. As at March 31, 2022, the Company has a virtual share plan, as mentioned in note 23. However, due to the loss attributable to controlling shareholders in the years ended March 31, 2022 and 2021, these instruments have non-dilutive effect and, therefore, were not considered in the calculation of loss per share.

	<u>03/31/2022</u>	<u>03/31/2021</u>
Loss for the period before income tax and social contribution	(22,993)	(2,481)
Weighted average number of common shares issued (in thousands)	474,784,035	401,724,500
Basic and diluted loss per share - in Brazilian reais (R\$)	<u>(0.0484)</u>	<u>(0.0062)</u>

28. INCOME TAX AND SOCIAL CONTRIBUTION

The Company and most of its subsidiaries elect for the taxable income regime, the other subsidiaries elect for the deemed income regime.

Income tax charges are as follows:

	<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>03/31/2021</u>
Companies electing for the deemed income (a)	8,495	3,141
Companies electing for the taxable income (b)	<u>23,141</u>	<u>18,008</u>
	<u>31,636</u>	<u>21,149</u>

(a) Income tax charges - Companies subject to deemed income regime:

	<u>03/31/2022</u>	<u>Consolidated 03/31/2021</u>
<u>Revenues</u>		
Services	<u>133,259</u>	<u>101,949</u>
Total	<u>133,259</u>	<u>101,949</u>
Deemed income tax - 8%	10,661	8,156
Deemed social contribution - 12%	15,991	12,234
Other revenues	<u>13,695</u>	<u>159</u>

Revenues	03/31/2022	Consolidated 03/31/2021
Income tax expense	3,653	1,247
Social contribution expense	2,672	1,115
Surtax (10% on excess amount)	2,170	779
Total income tax and social contribution expense	8,495	3,141

(b) Income tax charges - Companies subject to taxable income regime:

	Parent	
	03/31/2022	03/31/2021
Loss before income tax and social contribution	(22,993)	(2,529)
Statutory tax rate	34%	34%
Statutory income (expense)	7,818	860
Adjustments to statutory expense (income)		
Share of profit (loss) of subsidiaries	(4,785)	1,951
Other permanent differences, net	46	533
Unrecognized tax credits (*)	(3,079)	(3,296)
Effective income (expense)	-	48
Current	-	-
Deferred	-	48
	Consolidated	
	03/31/2022	03/31/2021
Profit (loss) before income tax and social contribution	16,021	27,742
Statutory tax rate	34%	34%
Statutory income (expense)	(5,477)	(9,432)
Adjustments to statutory expense (income)		
Other permanent differences, net	35	-
Effect of taxation of subsidiaries under the deemed income regime	(939)	(2,350)
Unrecognized tax credits (*)	(25,285)	(9,367)
Effective income (expense)	(31,636)	(21,149)
Current	(27,287)	(25,580)
Deferred	(4,349)	4,431

(*) Refers to unrecognized deferred income tax and social contribution credits due to the lack of history of taxable income in the Company and certain subsidiaries.

(c) Deferred income tax assets - consolidated

Deferred taxes derived from temporary additions and deductions are broken down as follows:

	<u>03/31/2022</u>	<u>12/31/2021</u>
Tax benefit of goodwill arising from the downstream merger (i)	4,165	4,755
Allowance for expected credit losses and provision for disallowances	15,392	13,572
Accrued profit sharing	830	1,959
Accrued trade payables and provision for risks	1,328	1,561
Accrued bonus	3,952	7,880
Surplus and deficit - Hospital Marcos Moraes	1,367	1,367
Leases	2,033	2,330
	<u>29,067</u>	<u>33,424</u>

(i) Income tax and social contribution

The General Extraordinary Meeting held on October 31, 2017 approved the partial spin-off of Onco Salvador, which spun-off portion was merged into Mutihemo and NOB. As a result of this transaction, the goodwill recognized in Onco Salvador, arising from the difference between the carrying amount and the amount paid for the acquisition of shares by NOB and Mutihemo, was transferred to NOB and Mutihemo. Accordingly, NOB and Mutihemo were eligible to the tax deductibility of goodwill amortization. In these companies, the amount was recognized as deferred income tax and social contribution in assets, with a contra entry to equity in line item "Special goodwill reserve".

The Extraordinary General Meeting held on April 30, 2019 approved the merger of Oncoclínicas Rio de Janeiro S.A. into Centro de Tratamento de Tumores Botafogo S.A. As a result of this transaction, Centro de Tratamento started to be eligible to the tax deductibility of the goodwill amortization, the amount was recognized in assets as deferred income tax and social contribution and had as contra entry the equity in the special goodwill reserve line item.

(ii) Temporary additions/deductions

Oncoclínicas Group recognizes deferred income tax and social contribution on temporary taxable differences calculated at the end of each reporting period, between asset and liability balances recognized and the corresponding tax basis used to determine taxable income. The realization of deferred taxes, relating to temporary differences, is contingent on future events, which will make the provisions that gave rise to them to be deductible, since the realization of the deferred tax on tax losses is contingent on the offset of balances, pursuant to prevailing tax laws.

The recognized tax credits are expected to be realized as shown in the following table:

<u>Expected realization</u>	<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>
2022	3,945	27,359
2023	21,722	2,378
2024 and thereafter	3,400	3,697
	<u>29,067</u>	<u>33,424</u>

(d) Deferred income tax liabilities

Refers to the balances of deferred income tax and social contribution differences of subsidiaries subject to the deemed income taxation regime, which payment is being made on a cash basis and the related liabilities are recognized on an accrual basis.

29. FINANCIAL INSTRUMENTS

(a) Financial risk factors

Oncoclínicas Group is exposed to the following financial risks: credit risk, liquidity risk and market risk. The Group's Management has the overall responsibility for setting and overseeing the risk management framework.

The risk management framework of Oncoclínicas Group was established to identify and analyze the risks to which Oncoclínicas Group is exposed, to define appropriate risk limits and controls and to monitor risks and compliance with limits imposed. Oncoclínicas Group, through training and management procedures, seeks to develop a regulatory and control environment where all employees are aware of their duties and obligations.

(i) Credit risk

Credit risk is the risk of Oncoclínicas Group incurring losses arising from a customer or counterparty in a financial instrument and the failure of the customer or counterparty to perform contractual obligations. The risk basically derives from balances in financial institutions (current account, short-term investments and derivative financial instruments), trade receivables, receivables for the disposal of equity interests and advances.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk exposure at the end of the period/year is as follows:

	Note	Parent		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash and cash equivalents	5	351,451	398,436	549,915	536,838
Securities and financial assets	6	83,138	149,305	948,136	1,513,799
Trade receivables	7	32,440	29,515	782,629	666,151
Escrow deposits	22	7,850	7,850	16,785	12,599
Disposal of equity interests	10	18,892	18,753	20,676	20,546
Related parties	30	92,319	81,642	28,990	31,308
Total		<u>586,090</u>	<u>685,501</u>	<u>2,347,130</u>	<u>2,781,241</u>

Cash and cash equivalents, securities and derivative financial instruments

Balances held in current accounts, short-term investments (securities) and derivative financial instruments represent the maximum exposure to the credit risk of these balances. These balances are held at prime banks and financial institutions.

Trade receivables

Oncoclínicas Group's exposure to the credit risk is influenced mainly by the individual characteristics of each customer/health insurance plan. However, Management considers the history of each customer in its analysis, based on the default risk.

The management of this risk mainly involves the A curve health insurance plans aiming at ensuring the full receipt of the revenue arising therefrom. The risk is mitigated by the widespread customer portfolio and the possibility of discontinuance of services to the beneficiaries of health insurance plans after a given default period.

Impairment losses

	Note	Consolidated	
		03/31/2022	12/31/2021
Trade receivables	7	843,324	711,173
Allowance for expected losses	7	(60,667)	(45,022)
		<u>782,629</u>	<u>666,151</u>
% of the allowance on the balance of trade receivables		<u>7.19%</u>	<u>6.33%</u>

As at March 31, 2022 and December 31, 2021, the allowance for expected credit losses refers mainly to disallowances identified by health insurance plans during the year, and the low expectation of receipt according to the receivable expired period.

The assessment of the amount of past-due trade receivables not subject to impairment is constantly monitored by the sales managers of each healthcare center, to identify amounts that may not be collected. In this case, an allowance will be recognized at the amounts of the respective expected losses.

Other financial assets

Balances arising from receivables for disposal of equity interests represent the maximum exposure to the credit risk of these balances.

(ii) Liquidity risk

Liquidity risk is the risk of Oncoclínicas Group not having sufficient resources to honor its financial commitments as a result of the mismatch of term or volume between expected receipts and payments. Oncoclínicas Group's approach in managing liquidity is to ensure, to the extent possible, sufficient liquidity to comply with its obligations when they fall due, under normal and stress conditions, without causing unacceptable losses or jeopardizing Oncoclínicas Group's reputation.

The table below analyzes Oncoclínicas Group's non-derivative financial liabilities and derivative financial liabilities that are settled on a net basis by Oncoclínicas Group, by maturity ranges, which correspond to the remaining period between the balance sheet date and the contractual maturity date. The derivative financial liabilities are included in the analysis if their contractual maturities are essential to obtain an understanding of the cash flows. The amounts disclosed in the table are the contracted undiscounted cash flows.

	Note	Accounting position in 2021	Total future flow	Parent					2027 and thereafter
				Future payment flow					
				2022	2023	2024	2025	2026	
Trade payables	15	36,058	36,058	36,058	-	-	-	-	-
Borrowings and financing	16	75,498	88,420	38,386	4,790	6,518	6,268	6,023	26,435
Payables for acquisitions	20	36,627	58,211	751	1,926	2,867	3,709	48,958	-
Fundação Ary partnership	21	6,051	6,077	3,021	1,689	905	462	-	-
Corporate right	21	6,379	6,379	5,818	561	-	-	-	-
Related parties	30	3,483	3,483	353	3,130	-	-	-	-
Total		164,096	198,628	84,387	12,096	10,290	10,439	54,981	26,435

	Note	Accounting position in 2022	Total future flow	Consolidated					2027 and thereafter
				Payment flow					
				2022	2023	2024	2025	2026	
Trade payables	15	409,450	409,469	409,469	-	-	-	-	-
Borrowings and financing	16	1,129,004	1,424,831	364,404	414,646	370,034	175,453	41,566	58,728
Derivative financial instruments	16	14,872	14,872	14,872	-	-	-	-	-
Debentures	17	1,009,837	1,380,889	91,269	76,487	113,959	346,447	325,874	426,853
Fundação Ary partnership	21	6,051	6,077	3,021	1,689	905	462	-	-
Partnership - CSSJ	21	11,458	11,759	11,759	-	-	-	-	-
Unimed Partnership	21	10,000	10,000	10,000	-	-	-	-	-
Royalties payable	21	11,117	11,842	11,842	-	-	-	-	-
Exclusivity right	21	10,020	10,020	8,529	921	360	210	-	-
Redemption of shares	23	64,306	69,762	31,033	27,316	3,671	3,797	3,945	-
Payables for acquisitions	20	664,844	733,051	88,171	224,073	52,326	191,765	164,042	12,674
Related parties	30	5,282	5,282	-	5,282	-	-	-	-
Total		3,346,241	4,087,854	1,044,369	750,414	541,255	718,134	535,427	498,255

(iii) Risk of cash flow or fair value associated with interest rate

Oncoclínicas Group's interest rate risk arises from long-term borrowings.

Borrowings and financing subject to variable rates expose Oncoclínicas Group to cash flow interest rate risk. Borrowings and financing subject to fixed rates expose Oncoclínicas Group to fair value risk associated with the interest rate. Oncoclínicas Group monitors its exposure to benchmark interest rate fluctuation, arising from debt instruments, and conducts sensitivity tests using different rates during its financial planning to ensure liquidity even during scenarios with higher interest rate fluctuation.

Interest rate sensitivity analysis

Most of the Company's debt is pegged to the CDI rate (more than 90%), which floating rate risk is the main risk factor for the Company.

The sensitivity analysis of interest on borrowings and financing and debentures used as probable scenario (Scenario I) the benchmark rates for 2022 and 2023, reported in Focus report, disclosed by the Central Bank of Brazil (<https://www.bcb.gov.br>) as at March 25, 2022, and scenarios II and III take into consideration an increase in such rate by 25% and 50%, respectively. The results in nominal values are as follows:

Scenarios	Current scenario I	Current scenario II +25%	Current scenario III +50%
CDI rate (p.a.)	12.00%	15.00%	18.00%
IGPM rate (p.a.)	9.22%	11.52%	13.82%
IPCA rate (p.a.)	6.10%	7.62%	9.14%
Interest income and expense (Parent), net	14,619	16,696	17,111
CDI rate	13,845	15,922	16,337
Interest income and expense (Consolidated), net	108,151	124,014	127,187
CDI rate	104,739	120,450	123,592
IPCA rate	1,996	2,148	2,178

The Company considers that the 25% and 50% variation represents an appropriate sensitivity considering the historical variation of the respective indicators in the period analyzed.

Most of the Company's debt is pegged to the CDI rate (more than 90%), which floating rate risk is the main risk factor for the Company.

The Group has certain financial liabilities measured at fair value through profit or loss (derivative financial instruments of hedging swap and contingent considerations arising from acquisition of noncontrolling interest). Oncoclínicas Group does not designate derivatives as hedging instruments under a fair value hedge accounting model.

(iv) Currency risk

The Company mainly operates in the domestic market and its receivables and payables are almost in full denominated in domestic currency. The Company has a risk management policy, which determines that agreements that may pose currency risk and may significantly affect the Company's financial statements, must be subject to measures to hedge and mitigate such impact by Management.

In order to reduce its borrowings costs, the Company contracted borrowings in foreign currency. As a strategy to manage the foreign exchange risk, Oncoclínicas Group simultaneously carries out swap transactions under identical conditions in terms of amount, term and rate, swapping the exposure to exchange rate differences for the CDI fluctuation. Accordingly, the Company has no significant exposure to the currency risk.

In March 2021, Centro Paulista de Oncologia S.A. contracted a borrowing in the amount of US\$24,000 with principal maturity in September 2022. Similarly, a swap transaction was contracted to eliminate the foreign currency exposure risk, swapping the Libor USD plus spread for the CDI fluctuation.

The Company is not exposed to currency risk as it carries out swap transactions tied to this foreign currency-denominated borrowing.

The fair value of these instruments at the balance sheet date is as follows:

Description	Consolidated		Fair value - 2022
	Maturity range	Domestic notional value	
Swap:	09/19/2022		
Long position	100% LIBORUSD + 2.20%	R\$76,649	-
Short position	100% CDI-CETIP + 2.67%	R\$91,522	14,872
Description	Parent and Consolidated		Fair value - 2021
	Maturity range	Domestic notional value	
Swap:	09/19/2022		
Long position	100% LIBORUSD + 2.20%	R\$135,109	-
Short position	100% CDI-CETIP + 2.67%	R\$137,667	2,558

(b) Capital management

The Company's objectives when managing its capital are to safeguard Oncoclínicas Group's ability to continue to offer return to its shareholders and benefits to other stakeholders and to maintain an optimal capital structure for reducing this cost.

In order to maintain or adjust the capital structure, the Company may review the dividend payment policy, return capital to shareholders or, also, issue new shares or sell assets to reduce, for example, indebtedness level.

As at March 31, 2022 and December 31, 2021, the financial leverage ratios are summarized as follows:

	Consolidated	
	03/31/2022	12/31/2021
Total borrowings and financing (note 16)	1,129,004	1,158,497
Derivative financial instruments (note 16)	14,872	2,558
Total debentures (note 17)	1,009,837	999,646
Less: cash and cash equivalents and securities	(1,498,051)	(2,050,637)
Net debt	655,663	110,064
Total equity	2,351,219	2,304,943
Total capital (equity + net debt)	3,006,882	2,415,007
Financial leverage ratio - %	22%	5%

(c) Estimate of fair value through profit or loss

Considering the nature and terms of transactions, the Company's Management believes that the carrying amounts of financial assets and financial liabilities measured at amortized cost, except for related-party balances (whose respective nature and conditions are disclosed in note 30), as well as the balances of borrowings and financing and debentures, approximate their respective fair values.

Financial assets measured at fair value comprise derivative financial instruments, which measurement is based on observable market inputs (Level 2) and contingent consideration assumed in business combination (Level 3), which measurement is assessed based on cash flow projection estimates based on the strategic planning of the respective business units, which consider growth expectation, increase of average ticket, among other assumptions. These cash flows are adjusted to present value.

(d) Financial instruments by category

		Parent			
		Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments	Measurement	March 31, 2022	March 31, 2022	December 31, 2021	December 31, 2021
Cash and cash equivalents	Amortized cost	351,451	(*)	398,436	(*)
Securities and financial assets	Amortized cost	83,138	(*)	149,305	(*)
Trade receivables (note 6)	Amortized cost	32,440	(*)	29,515	(*)
Escrow deposit	Amortized cost	7,850	(*)	7,850	(*)
Disposal of equity interest (note 10)	Amortized cost	18,892	(*)	18,753	(*)
Related party	Amortized cost	92,319	(*)	81,642	(*)
		<u>586,090</u>	<u>-</u>	<u>685,501</u>	<u>-</u>
Financial liabilities					
Trade payables	Amortized cost	36,058	(*)	37,744	(*)
Borrowings and financing	Amortized cost	75,498	94,297	110,649	136,076
Payables - Fundação Ary	Amortized cost	6,051	(*)	6,551	(*)
Payables for acquisitions	Fair value (Level 3)	18,306	18,308	19,434	19,434
Payables for acquisitions	Amortized cost	18,321	(*)	16,099	(*)
Exclusivity right	Amortized cost	6,379	(*)	8,155	(*)
Related parties	Amortized cost	3,483	(*)	3,130	(*)
		<u>164,096</u>	<u>-</u>	<u>201,762</u>	<u>-</u>
		Consolidated			
		Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments	Measurement	March 31, 2022	March 31, 2022	December 31, 2021	December 31, 2021
Cash and cash equivalents	Amortized cost	549,915	(*)	536,838	(*)
Securities and financial assets	Amortized cost	948,136	(*)	1,513,799	(*)
Trade receivables (note 6)	Amortized cost	782,629	(*)	666,151	(*)
Escrow deposit	Amortized cost	16,785	(*)	12,599	(*)
Disposal of equity interest (note 10)	Amortized cost	20,676	(*)	20,546	(*)
Related party	Amortized cost	28,990	(*)	31,308	(*)
		<u>2,347,130</u>	<u>-</u>	<u>2,781,241</u>	<u>-</u>

Financial instruments	Measurement	Consolidated			
		Carrying amount	Fair value	Carrying amount	Fair value
		March 31, 2022	March 31, 2022	December 31, 2021	December 31, 2021
Financial liabilities					
Trade payables	Amortized cost	409,450	(*)	427,339	(*)
Borrowings and financing	Amortized cost	1,129,004	1,409,165	1,158,497	1,364,953
Derivative liabilities - swap	Fair value (Level 2)	14,872	14,872	2,558	2,558
Debentures	Amortized cost	1,009,837	1,010,275	999,646	1,006,529
Payables - Fundação Ary	Amortized cost	6,051	(*)	6,551	(*)
Partnership - Unimed RJ/ Ceon	Amortized cost	10,000	(*)	23,000	(*)
Partnership - CSSJ	Amortized cost	11,458	(*)	14,432	(*)
Royalties payable	Amortized cost	11,117	(*)	10,630	(*)
Redemption of shares	Amortized cost	64,306	(*)	62,862	(*)
Payables for acquisitions	Fair value (Level 3)	278,388	278,388	228,180	57,427
Payables for acquisitions	Amortized cost	386,456	(*)	226,327	(*)
Corporate right	Amortized cost	10,020	(*)	12,607	(*)
Related parties	Amortized cost	5,282	(*)	8,541	(*)
		<u>3,346,241</u>	<u>-</u>	<u>3,181,170</u>	<u>-</u>

(*) Except for the related-party balances, whose nature and conditions are disclosed in note 30, the Company's Management believes that the carrying amounts of the financial assets and financial liabilities measured at amortized cost approximate their respective fair values, considering that they are adjusted by allowances, present values and/or adjusted by floating market rates.

30. RELATED PARTIES

Related-party transactions were carried out according to the terms and conditions agreed upon among the parties. They are mainly comprised of receivables from shareholders, dividends receivable and payable, intragroup borrowings and loans and advances for future capital increase:

Transfer of funds between Group companies (intragroup loans): Management transfers funds between Group companies. Balances are partially eliminated in the consolidated and mostly adjusted by the IPCA and CDI. The remaining balance in consolidated refers to noncontrolling shareholders and has an average maturity of two years.

Apportionment: refers mainly to centralized shared services provided by the Parent, such as financial services (receivables and payables), accounting, legal, treasury, supplies, etc., which are shared among the other Group entities based on apportionment criteria that take into account the contribution of each entity for the Group's operations. Payments are made on a monthly basis and are not adjusted. These balances are mainly eliminated in the consolidated financial statements.

30.1. Intragroup loans, apportionment and Pert

Assets	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Intragroup loans (i)				
Related parties:				
Centro Paulista de Oncologia	-	-	973	973
Talassa	2,223	2,143	-	-
CMI	1,000	1,000	-	-
Radioterapia Oncoclínicas Recife (i.a)	8,315	8,058	-	-
Núcleo de Hematologia e Transplante	-	-	-	111
Pontus	465	465	-	-

Assets	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<u>Intragroup loans (i)</u>				
Related parties:				
CTR Anápolis	-	-	111	3,100
Noncontrolling shareholders (i.b)	27,906	27,124	27,906	27,124
Total intragroup loans (a)	<u>39,909</u>	<u>38,790</u>	<u>28,990</u>	<u>31,308</u>

i.a) Refers to intragroup loan transactions with Radioterapia Oncoclínicas Recife S.A. ("RT Recife), which are monthly adjusted by the CDI rate + 3% p.a. The intragroup loan agreements have a four-year term and can be settled before maturity.

i.b) Balances with noncontrolling shareholders are monthly adjusted by the CDI rate + 2.96% p.a. In August 2021, there was a renegotiation of terms and the adjustment index.

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<u>Apportionments (ii)</u>				
Nature:				
Shared Service Center	37,924	28,813	-	-
Project - units construction	5,909	5,461	-	-
Other	4,470	4,470	-	-
Total apportionments (b)	<u>48,303</u>	<u>38,744</u>	<u>-</u>	<u>-</u>

Special Tax Regularization Program (PERT) (iii)	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Related parties:				
Oncoclínica - Centro Trat. Oncológico	2,454	2,454	-	-
NOS	107	107	-	-
Radioterapia Botafogo	267	267	-	-
Centro de Quimioterapia Oncoclínicas	241	241	-	-
CECON	80	80	-	-
Hematológica	958	958	-	-
Total PERT (c)	4,107	4,107	-	-
Total (a) + (b) + (c)	<u>92,319</u>	<u>81,642</u>	<u>28,990</u>	<u>31,308</u>

(iii) Special Tax Regularization Program (PERT): Management decided to use part of the tax loss carryforwards accumulated and declared by the Parent to settle the remaining balance of the consolidated debts, transferring the credits included in the program to Oncoclínicas Group subsidiaries. The deadline for realization of the balance is the ratification of credits and debits by the Brazilian Federal Revenue Service. These balances are eliminated in the consolidated financial statements. Related parties (assets)

30.2. Dividends receivable

	Parent	
	03/31/2022	12/31/2021
<u>Dividends receivable</u>		
Related parties:		
Centro Mineiro de Infusões	4,367	4,367
Salvador	308	308
Centro de Tratamento Oncológico	5,975	5,975
Centro Excelência de Radioterapia Rio de Janeiro	-	-
Navarra	2,074	2,074
Centro Paraibano	51	51
Instituto Oncológico de Ribeiro Preto	35	35
	<u>12,810</u>	<u>12,810</u>

30.3. Advance for future capital increase (assets)

	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<u>Advance for future capital increase</u>				
Related parties:				
Oncopar	2,607	2,607	-	-
Centro Mineiro de Infusões	315,459	295,694	-	-
Oncologia Participações	151	169	-	-
Oncohematologia	41,013	41,013	-	-
Radioterapia Oncoclínicas São Paulo	1,584	1,584	-	-
Oncobio Serviços de Saúde	16,738	11,753	-	-
Centro Exc. Radioterapia Rio de Janeiro	3	3	-	-
Centro de Tratamento Oncológico (CTO)	81,792	81,792	-	-
Oncoclínicas Participações São Paulo	35	-	-	-
Idengene	60,636	34,848	-	-
Radioterapia Oncoclínicas Recife	94	45	-	-
Pontus Participações	15,788	15,788	-	-
Locus	1,500	1,500	-	-
Oncologia Participações RJ ES	29,230	29,230	-	-
Imagem	-	17,176	-	-
Cemise	-	-	1,100	-
JPC	-	-	712	-
Tália	20	20	-	-
Louro (CTC)	20	20	-	-
Radioterapia Ribeirão Preto	20	20	-	-
Other	-	-	-	1,738
Total	<u>566,690</u>	<u>533,262</u>	<u>1,812</u>	<u>1,738</u>

30.4. Related parties (liabilities)

Liabilities	Parent		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
<u>Intragroup borrowings</u>				
Other:				
Intragroup borrowings - shareholder Complexo UMC (i.c)	-	-	3,041	7,678
Apportionments payable	3,483	3,130	2,241	863
Total (B)	<u>3,483</u>	<u>3,130</u>	<u>5,282</u>	<u>8,541</u>

i.c) Refers to intragroup borrowing transactions with shareholders of Complexo Hospitalar de Uberlândia, which are adjusted by interest of 1.33% p.m. The intragroup borrowing agreements have an average term of five year, beginning 2018.

Also, the Company has entered into service agreements with companies owned by some of its directors in the amount of R\$1,814 in the first three months of 2022 (R\$2,465 in the first three months of 2021), the purpose of which is to provide specific medical services in one or more specialties among those developed by the professional in question, including the performance of medical consultations, diagnoses, prescription and follow-up of treatments in the Company's premises and/or partners defined by the Company.

30.5. Dividends payable

	Consolidated	
	03/31/2022	12/31/2021
<u>Dividends payable</u>		
Multihemo	1,952	1,952
Núcleo de Oncologia da Bahia	597	597
NOS	844	844
Pro Onco	129	130
Aliança	9,778	11,595
Navarra	4,142	4,142
Angará	-	1,260
Yukon	-	854
Instituto Oncológico de Ribeirão Preto	109	109
COT	937	937
Oncoclínicas Minas Gerais	14	14
Brakal	-	1,196
Instituto de Hematologia Clínica - IHOC	312	312
Cecon - Centro Capixaba	161	160
Total	<u>18,975</u>	<u>24,102</u>

30.6. Advance for future capital increase (liabilities)

	Consolidated	
	<u>03/31/2022</u>	<u>12/31/2021</u>
<u>Advance for future capital increase</u>		
Subsidiaries:		
Oncobio	2,432	2,432
Oncovida	2,492	2,492
UMC Imagem	1,000	500
UMC	1,184	-
CTR Anápolis	2,169	-
Total	<u>9,277</u>	<u>5,424</u>

Management compensation

Management members are the persons with authority and responsibility for planning, steering and controlling Oncoclínicas Group's activities, including any officer (executive or otherwise).

During the three-month period ended March 31, 2022, Management compensation amounted to R\$5,148 (R\$5,759 in March 2021) due to short-term benefits, such as wages, related taxes and others. As long-term benefits, the Company recognized an expense related to the phantom shares granting program of R\$2,570 (R\$7,887 as at March 31, 2021). Management compensation does not include amounts such as: (a) post-employment benefits (pension, other retirement benefits, post-employment life insurance, and post-employment health care); (b) long-term benefits (leave of absence for length of service and long-term disability benefits); and (c) severance benefits.

31. INSURANCE

The Company has insurance coverage based on the risks associated to its operations. The insurance policy is directly negotiated by the holding, and insurance premiums and risks are covered for the Company as described in the policy.

The insurance risk and line are described below, and the insured amounts and coverage encompass the entire Oncoclínicas Group.

<u>Insurance line</u>	<u>Coverage</u>	<u>Validity date</u>
Civil liability	R\$2,000	12/14/2022
D&O administrative liability	R\$100,000	04/29/2022
E&O professional liability	R\$30,000	12/18/2022
Property	R\$46,700	12/31/2022

32. NON-CASH TRANSACTIONS

a) Cash and cash equivalents

The breakdown of cash and cash equivalents included in the statements of cash flows is disclosed in note 4.

b) Non-cash transactions

	Note	Parent		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Acquisition due to business combinations					
<u>Statement of cash flows</u>					
<u>Non-cash effect</u>					
Amount paid on acquisitions	4	-	-	265,823	-
Amount of cash and cash equivalent of acquirees	4	-	-	(18,162)	-
Payment of business acquisition , net of cash					
Acquiree		-	-	247,661	-
Variation in trade receivables		<u>2,925</u>	<u>9,074</u>	<u>116,478</u>	<u>48,232</u>
<u>Non-cash effect</u>					
Recognition (reversal) of allowance for expected credit losses and provision for disallowances		438	(8,123)	18,464	3,684
Receivables acquired through business combination		-	-	(22,667)	-
Offset of trade receivables - CSSJ		-	-	2,974	-
Total variation in trade receivables		<u>3,363</u>	<u>951</u>	<u>115,249</u>	<u>51,916</u>
<u>Property and equipment and intangible assets</u>					
Variation in property and equipment		(1,368)	(530)	101,863	(401)
Variation in intangible assets		5,352	4,028	481,504	3,051
Total variation in property and equipment and intangible assets		3,984	3,498	583,367	2,650
<u>Non-cash effect</u>					
Translation of goodwill with effect on equity		-	-	3,642	(4,064)
Depreciation of property and equipment	12	2,332	1,982	17,118	10,012
Amortization of intangible assets	13	2,064	2,765	9,732	9,472
Write-off of property and equipment	12	-	1,129	29	2,478
Other variations		-	-	(4,977)	-
Goodwill on business combination	4	-	-	(472,215)	-
Property and equipment and intangible assets acquired through business combination		-	-	(88,092)	-
Total acquisitions of property and equipment and intangible assets		<u>8,380</u>	<u>9,374</u>	<u>48,604</u>	<u>20,548</u>
Acquisition of property and equipment	12	964	2,581	32,801	12,089
Acquisition of intangible assets	13	7,416	6,793	16,523	8,459
<u>Advance for future capital increase - ASSETS</u>					
Variation in advance for future capital increase - assets		33,428	22,630	(1,138)	-

Note	Parent		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
<u>Non-cash effect</u>				
Advance for future capital increase acquired through business combination	-	-	1,776	-
Total effects on the statement of cash flows	33,428	22,630	638	-
Advance for future capital increase - LIABILITIES				
Variation in advance for future capital increase - liabilities	-	-	3,853	142
<u>Non-cash effect</u>				
Advance for future capital increase acquired through business combination	-	-	(2,081)	-
Total effects on the statement of cash flows	-	-	1,772	142
Payroll and related taxes				
Variation in payroll and related taxes	(6,770)	5,139	3,451	8,522
Accrual - Phantom	18	(8,418)	(1,025)	(8,418)
<u>Non-cash effect</u>				
Obligations acquired through business combination	4	-	(5,442)	-
Total effects on the statement of cash flows	(7,795)	(3,279)	(3,016)	104
Taxes payable				
Variation in taxes payable	17	491	8,181	1,086
Tax paid	-	-	(23,668)	(2,174)
<u>Non-cash effect</u>				
Taxes payable acquired in business combinations	4	-	12,834	-
Offset of tax credits	-	-	2,720	-
Total effects on the statement of cash flows	17	491	67	3,260
Acquisitions payable				
Amount paid on acquisitions	(376)	-	(337,341)	-
<u>Non-cash effect</u>				
Cash acquired in business combinations	4	-	18,162	-
Offset of credit for capital increase	21	-	65,277	-
Total effects on the statement of cash flows	(376)	(8,518)	(253,902)	(24,176)

	Note	Parent		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Payment of business combination		-	-	247,661	-
Payment of acquisition in installments		(376)	(8,518)	6,241	(24,176)
Capital					
Variation in the balance of unpaid capital	Statement of changes in equity	-	5,339	-	5,339
<u>Non-cash effect</u>					
Transfer of decrease of payable capital to unpaid capital	29	-	(5,339)	-	(5,339)
Total effects on the statement of cash flows		-	-	-	-

33. EVENTS AFTER THE REPORTING PERIOD

The Company has transactions in progress that are being disclosed in details in note 1.

34. APPROVAL OF INTERIM FINANCIAL INFORMATION

The Company's interim financial information for the three-month period ended March 31, 2022 was approved and authorized for issue by the Board of Directors on May 13, 2022.