

(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 PERIODS ENDED JUNE 30, 2021 AND 2020

(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, was established in 2010. The Company 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 22.

The Group’s ultimate controlling shareholder is The Goldman Sachs Group, Inc. (“Goldman Sachs”), which is a leading asset investment firm in Brazil, with a diversified portfolio and wide national presence.

Initial public offering

On August 10, 2021, the Company concluded its public offering for the primary and secondary offering of shares at a price of R\$19.75 per share, as follows:

	<u>Proceeds amount</u>	<u>Commission</u>	<u>Net proceeds</u>
Price per share – R\$	19.75	(0.79)	18.96
Primary offering	1,778,478	(71,139)	1,707,339
Secondary offering	889,239	(35,570)	853,669

As a result, Oncoclinicas became a publicly-held company, listed on the Novo Mercado with shares traded under the ticker ONCO3.

The total proceeds, net of custody fees, were R\$1,699,205

There are no significant seasonality effects on the Company's operations, except for the effects of the Pandemic discussed below.

Covid19 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 all the preparations to face the pandemic. The greatest impact of these measures occurred in the second quarter of 2020. In the second quarter of 2021, we saw a resumption of medical care and an 18% reduction in expenses with the purchase of protection materials and tests for employees.

The Company believes that such pandemic will continue to exercise an adverse impact on its business, financial position, results of operations, cash flows, liquidity and margins, and that the extent of those effects is contingent upon future developments, which remain highly uncertain and unpredictable as at the reporting date, however, they show improvements in relation to the impacts suffered 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 2021, the Company has already observed a resumption of care services, reaching 162,000 procedures in the first half of 2021, compared to 148,000 in the same period of the previous year. This movement is due to the criticality of the type of service it offers.
- (ii) Extraordinary expenses incurred to face the COVID-19 pandemic in the amount of R\$ 6,391 in the first half of 2021, compared to R\$7,814 in the first half of 2020. 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 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.

Corporate restructuring

In May 2021, Oncoclínicas Group carried out a corporate restructuring between subsidiaries, without changing equity interests, centralizing the precision medicine and laboratory companies. For this transaction, a Net Assets Valuation Report was prepared, at book values, for each company involved in this corporate restructuring, in order to support the partial spin-off of the net assets of certain indirect subsidiaries with transfer of the book value of these assets for a capital increase in subsidiary Idengene Medicina Diagnóstica S.A. ("Idengene"). The assets involved in the corporate restructuring process are derived from the goodwill arising on the acquisition of interest in the spun-off companies, i.e., Locus, Boston, IRA and Idengene, as well as the investment balances related to the balance of the interest in the spun-off companies, as well as intangible assets comprising acquisition and implementation costs of operating systems.

With the new shareholding structure, Idengene became the direct parent of the companies: Instituto Roberto Alvarenga Ltda. ("IRA"), Locus Anatomia Patologia e Citologia Ltda. ("Locus") e Boston Lighthouse ("BLI").

Acquisitions in progress

- CAM Group/Clion

On April 17, 2021, a Share Purchase and Sale Agreement and Other Covenants, amended on April 23, 2021 ("CCV"), and an Investment Agreement and Other Covenants ("Investment Agreement") were signed under which, and subject to the fulfillment and/or waiver of certain conditions precedent (including the approval from the Administrative Council for Economic Defense (CADE)), Núcleo de Oncologia da Bahia S.A. ("NOB"), a subsidiary of the Company, undertook to acquire units of interest representing 100% of the capital of CAM - Clínica de Assistência à Mulher Ltda., Clion - Clínica de Oncologia Ltda., GMN - Grupo de Medicina Nuclear Ltda., Osteo Centro de Diagnostico da Osteoporosis Ltda. and JPC Pathology and Clinical Analysis Ltda. ("CAM Companies" and "CAM Acquisition", respectively) and certain partners of CAM Companies undertook to reinvest part of the purchase price in NOB ("NOB Investment", and together with CAM Acquisition, the "Transaction"). The compliance with the condition precedent has not yet been completed.

The purchase price of all units of interest issued by the CAM Companies agreed between the parties is R\$324,115, subject to adjustments, and of such amount, the equivalent of R\$65,276 will be reinvested in NOB, pursuant to the Investment Agreement. As a result of this transaction, on the closing date, NOB will hold 100% of the capital of the CAM Companies and certain partners of the CAM Companies will hold common shares representing 12.15% of the capital of NOB.

- Acquisiton of CEBROM Group

On May 27, 2021, a Share Purchase and Sale Agreement and Other Covenants ("CCV") was signed under which Oncoclínica – Centro de Tratamento Oncológico S.A. ("Buyer"), a subsidiary of the Company, undertook to acquire units of interest representing (i) 100% of the capital of Centro Brasileiro de Radioterapia Oncologia e Mastologia CEBROM Ltda. ("CEBROM"), (ii) up to 63.70% of the capital of CTR Centro de Tratamento Radioterápico Ltda. ("CTR Bueno"), and (iii) up to 68.20% of the capital of CTR Centro de Tratamento Radioterápico de Anápolis ("CTR Anápolis" and, together with CEBROM and CTR Bueno, the "Companies").

The purchase price of all units of interest issued by the Companies, agreed between the parties, is R\$232,486, subject to adjustments. The acquisition of the Companies is subject to conditions precedent usual in this type of transaction, including the approval from CADE, which have not been completed yet.

- Acquisition of Complexo Hospitalar de Uberlândia S.A.

On July 6, 2021, a Share Purchase and Sale Agreement and Other Covenants (“CCV”) was signed under which Multihemo Serviços Médicos S.A. (“Buyer”), a subsidiary of the Company, undertook to acquire units of interest representing 84% of the capital of Complexo Hospitalar Uberlândia S.A (“UMC”), and an additional investment can be made by the Buyer, through subscription and payment of a capital increase of UMC, if two other companies (UMC Imagem Ltda. and Instituto do Coração do Triângulo Mineiro Ltda.) are acquired by UMC before the closing of the transaction (“Additional Investment”).

The purchase price of the shares issued by UMC mentioned above is R\$242,159, subject to adjustments, and may be increased by up to R\$51,751, subject to adjustments, in the event of the Additional Investment. The acquisition of the Companies is subject to conditions precedent usual in this type of transaction, including the approval from CADE, which have not been completed yet.

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, 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.

The accounting practices adopted in Brazil comprise the policies set out in the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (“CPC”) and approved by the CVM.

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, 2020 (hereinafter referred to as “Financial statements as at December 31, 2020”), therefore, the interim financial information must be read together with the financial statements for the year ended December 31, 2020.

2.3. Basis of consolidation

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

	Equity interest %	
	06/30/2021	12/31/2020
1) Oncobio Serviços de Saúde S.A.	60	60
2) Oncocentro Imagem Serviços Médicos Ltda.	100	100
3) Hematológica - Clínica de Hematologia S.A.	100	58.02
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 Antiplástica 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	66
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
21) CPO - Centro Paraibano de Oncologia S.A.	99.99	75
22) Núcleo de Oncologia da Bahia S.A.	80.65	79.65
23) Núcleo de Oncologia da Bahia Centro de Prevenção Ltda.	99.95	99.95
24) Núcleo de Oncologia de Sergipe S.A.	100	43.21
25) Multihemo Serviços Médicos S.A.	100	74.37
26) Radioterapia Oncoclínicas Recife S.A.	100	97.6
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	68
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	60
43) Aliança Instituto de Oncologia S.A.	80	55
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

	Equity interest %	
	06/30/2021	12/31/2020
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	-

- 1) Oncobio Serviços de Saúde S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Nova Lima, which is primarily engaged in: the provision of medical services in general, including chemotherapy, radiotherapy, diagnostic and therapeutic activities, outpatient medical activities through resources for surgical procedures and complementary tests, and other human healthcare activities.
- 2) Oncocentro Imagem Serviços Médicos Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: holding equity interests in other entities that are engaged in the provision of medical services in general.
- 3) Hematológica – Clínica de Hematologia S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: the provision of (i) outpatient oncology and oncohematology (chemotherapy) services; (ii) apheresis through automated blood-processing machine; (iii) autologous hematopoietic stem cell transplantation; (iv) blood drawing (phlebotomy); (v) myelogram; (vi) bone marrow biopsy; (vii) outpatient medical appointments; (viii) flow cytometry laboratory - immunophenotyping and cytogenetics; and (ix) cryopreservation of stem cells. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 4) Radiogroup Participações S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: holding equity interests in other companies and corporations, either as a partner or shareholder.
- 5) Radiocare Serviços Médicos Especializados Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: the provision of radiotherapy services and outpatient medical appointments.
- 6) Centro de Tratamento em Radioterapia Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Betim, which is primarily engaged in: the provision of radiotherapy services and diagnostic imaging services (computed tomography, ultrasound, conventional radiology, mammography, magnetic resonance, nuclear medicine, among others), in addition to complementary tests.
- 7) Centro de Quimioterapia Antineoplásica e Imunoterapia S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: the provision of medical oncology services, especially those involving chemotherapy and related treatments, both at outpatient facilities and hospitals, as well as the management of own assets.
- 8) COT – Centro Oncológico do Triângulo S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Uberlândia, which is primarily engaged in: the provision of medical oncology services such as: clinical care, applications of chemotherapy, radiotherapy, small surgical procedures and oncological emergency care.
- 9) COT Radioterapia Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Uberlândia, which is primarily engaged in: the provision of clinical services in the radiotherapy, imaging and ionizing treatment fields.
- 10) Oncocentro Uberlândia S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Uberlândia, which is primarily engaged in: the provision of medical services in general, specifically including hemotherapy, diagnostic and therapeutic activities, outpatient medical activities through resources for surgical procedures and complementary tests, and other human healthcare activities.
- 11) Oncoclínicas Participações Minas Gerais S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: a) performing medical and hospital assistance, consulting and advisory activities in the hematology, oncology, hemotherapy and bone marrow transplantation fields; and (b) holding equity interests in other entities of any nature, either as a partner or shareholder, in Brazil or abroad.
- 12) Núcleo de Hematologia e Transplante de Medula Óssea de Minas Gerais Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: the provision of medical and hospital assistance, consulting and advisory services in the hematology, oncology, hemotherapy, chemotherapy, clinical analysis laboratory and bone marrow transplantation fields.
- 13) Centro Paulista de Oncologia S.A. is a privately-held corporation located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: (i) the provision of medical services, specifically those involving the oncology, hematology and chemotherapy fields, as well as oncology and hematology diagnostics and therapies; (ii) advisory and consulting services in the oncology and hematology fields; (iii) infusion of non-oncological medicines; (iv) non-oncological medical appointments; (v) collection, storage and processing of biological samples; and (vi) holding equity interests in other entities and joint ventures, either as a partner or shareholder, provided that they are engaged in activities related to its corporate purposes.
- 14) Radioterapia Oncoclínicas Salvador Ltda. is a limited liability company located in Brazil, in the State of Bahia, city of Salvador, which is primarily engaged in: the provision of radiotherapy services, including hospital care activities, except for emergency room and emergency care units, and outpatient medical activities through resources for the performance of complementary tests.
- 15) Oncopar Sul Empreendimentos e Participações Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: holding equity interests in other entities, either as a partner or shareholder, besides operating as a holding company of non-financial institutions.

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- 16) Instituto de Hematologia e Oncologia Curitiba – Clínica Médica S.A. is a privately-held corporation located in Brazil, in the State of Paraná, city of Curitiba, which is primarily engaged in: the provision of chemotherapy services, including outpatient medical activities through resources for surgical procedures. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 17) Centro de Quimioterapia Oncoclínicas S.A. is a privately-held corporation located in Brazil, in the State of Rio Grande do Sul, city of Porto Alegre, which is primarily engaged in: the provision of medical services, including, but not limited to, oncology, chemotherapy, hemotherapy and medical diagnosis and therapy services in general.
- 18) Oncoclínicas Canoas Clínica de Oncologia Ltda. is a limited liability company located in Brazil, in the State of Rio Grande do Sul, city of Canoas, which is primarily engaged in: the provision of medical care services in the clinical oncology and outpatient chemotherapy fields, including all related treatments.
- 19) Pro-Onco Centro de Tratamento Oncológico S.A. is a privately-held corporation located in Brazil, in the State of Paraná, city of Londrina, which is primarily engaged in: the provision of chemotherapy services and medical, hospital services intended for the oncological treatment of patients.
- 20) Centro Mineiro de Infusões S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: the provision of medical services in general, specifically including hemotherapy, diagnostic and therapeutic activities, outpatient medical activities through resources for surgical procedures and complementary tests, and other human healthcare activities.
- 21) CPO – Centro Paraibano de Oncologia S.A. is a privately-held corporation located in Brazil, in the State of Paraíba, city of João Pessoa, which is primarily engaged in: the provision of medical oncology services, besides operating as a day hospital that offers hospitalization services for the chemotherapy treatment of patients. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 22) 22) Núcleo de Oncologia da Bahia S.A. is a privately-held corporation located in Brazil, in the State of Bahia, city of Salvador, which is primarily engaged in: the provision of medical and hospital services in general, specifically including hematology and oncology-related activities and comprising patient care, diagnosis, therapy, emergency, life support, surgical, hospitalization procedures, among others. There was a change made through a purchase and sale agreement among Centro Mineiro de Infusão and noncontrolling shareholder, whereby 1% of the capital and 60,453 common shares were acquired. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 23) Núcleo de Oncologia da Bahia Centro de Prevenção Ltda. is a limited liability company located in Brazil, in the State of Bahia, city of Salvador, which is primarily engaged in: holding equity interests in other entities, either as a partner or shareholder, besides operating as a holding company of non-financial institutions.
- 24) NOS – Núcleo de Oncologia de Sergipe S.A. is a privately-held corporation located in Brazil, in the State of Sergipe, city of Aracaju, which is primarily engaged in: outpatient medical activities through resources for complementary tests, outpatient medical activities restricted to appointments, provision of chemotherapy services, provision of hematology services, bone marrow biopsies and myelogram, nursing activities, nutrition professional activities, psychology and psychoanalysis activities, experimental research and development in physical and natural sciences, of a non-commercial medical nature, physiotherapy activities, algology activities, provision of palliative care; and biological therapies. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 25) Multihemo Serviços Médicos S.A. is a privately-held corporation located in Brazil, in the State of Pernambuco, city of Recife, which is primarily engaged in: the provision of medical services in hematology, hemotherapy, cancerology, medical clinic and chemotherapy, besides promoting teaching and research in the hematology, hemotherapy and cancerology-related fields. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 26) Radioterapia Oncoclínicas Recife S.A. is a privately-held corporation located in Brazil, in the State of Pernambuco, city of Recife, which is primarily engaged in: (i) the provision of radiotherapy services; (ii) hospital care activities, except for emergency room and emergency care units; and (iii) outpatient medical activities through resources for the performance of complementary tests. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 27) Onco Clínica Recife Ltda. is a limited liability company located in Brazil, in the State of Pernambuco, city of Recife, which is primarily engaged in: the provision of medical services in the Clinical Oncology, Surgical Oncology, Hematology and Internal Medicine fields.
- 28) Oncoclínica – Centro de Tratamento Oncológico S.A. is a privately-held corporation located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: the provision of medical services in general, including chemotherapy, radiotherapy and radiosurgery services, as well as inpatient healthcare and care for patients in need of scheduled direct assistance.
- 29) Radioterapia Botafogo S.A. is a privately-held corporation located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: the provision of medical treatment services through ionizing radiation, as well as in the import of medical materials, related materials and accessories for own use, besides rendering hospital services, including the monitoring of hospitalizations at its facilities or at third-party hospitals.
- 30) Centro de Excelência Oncológica S.A. is a privately-held corporation located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: (i) the provision of medical and hospital services relating to the oncohematology, oncology and clinical fields, which includes the dispensing of infusion or oral antineoplastic drugs, antineoplastic procedures and radiotherapy, covering care, diagnosis, therapy, emergency and life support procedures; and (ii) holding equity interests in other entities and consortia engaged in the provision of medical services in general.
- 31) Oncologia Participações Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: holding equity interests in other entities, either as a partner or shareholder, besides operating as a holding company of non-financial institutions.
- 32) CECOM – Centro Capixaba de Oncologia S.A. is a privately-held corporation located in Brazil, in the State of Espírito Santo, city of Vitória, which is primarily engaged in: the provision of medical and hospital services, mainly related to the clinical and surgical oncology and chemotherapy specialties to support the diagnosis and therapy procedures for its patients. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 33) Helmond Oncologia S.A. is a privately-held corporation located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: (i) the provision of medical and hospital services relating to the oncohematology, oncology and clinical fields, which includes the dispensing of infusion or oral antineoplastic drugs, antineoplastic procedures and radiotherapy, covering care, diagnosis, therapy, emergency and life support procedures; and (ii) holding equity interests in other entities and consortia engaged in the provision of medical services in general.
- 34) Oncohematologia Participações Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: holding equity interests in other entities, either as a partner or shareholder.
- 35) Idengene Medicina Diagnóstica S.A. is a privately-held corporation located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: i) the provision of oncogenetics services, including, but not limited to, DNA sequencing and molecular testing for diagnostic and research purposes, as well as the development and sale of molecular tests based on the analysis of DNA, RNA and/or proteins, carried out on own account or through third parties; (ii) holding courses and seminars in the medical and biological fields, focused on oncogenetics; (iii) medical and biological research development, focused on oncogenetics; (iv) the provision of advisory services in the oncogenetics area, including molecular, genomic and medical biology; and (v) holding equity interests in other entities, either as a partner or shareholder.

- 36) Instituto Oncológico de Ribeirão Preto S.A. is a privately-held corporation located in Brazil, in the State of São Paulo, city of Ribeirão Preto, which is primarily engaged in: the provision of chemotherapy and radiotherapy services and medical and hospital activities, such as clinical procedures, including multidisciplinary medical activities, diagnostic imaging services with and without the use of ionizing radiation, computed tomography and holding equity interests in other entities, either as a partner or shareholder.
- 37) Radioterapia Oncoclínicas Ribeirão Preto Ltda. is a limited liability company located in Brazil, in the State of São Paulo, city of Ribeirão Preto, which is primarily engaged in (i) the provision of radiotherapy services; (ii) hospital care activities, except for emergency room and emergency care units; and (iii) outpatient medical activities through resources for the performance of complementary tests.
- 38) Radioterapia Oncoclínicas São Paulo Ltda. is a limited liability company located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: the provision of radiotherapy services, including hospital care activities, except for emergency room and emergency care units, and outpatient medical activities through resources for the performance of complementary tests.
- 39) Centro de Excelência de RT do Rio de Janeiro S.A. is a privately-held corporation located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: the provision of medical treatment services through ionizing radiation, as well as in the import of medical materials, related materials and accessories for own use, besides rendering hospital services, including the monitoring of hospitalizations at its facilities or at third-party hospitals.
- 40) Central de Gestão e Saúde Ltda. is a limited liability company located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: (i) health management supporting activities; (ii) auxiliary activities involving insurance, private pension and healthcare plans in general; and (iii) human care activities in general.
- 41) Oncoclínicas Participações São Paulo Ltda. is a limited liability company located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: holding equity interests in other entities, either as a partner or shareholder, besides operating as a holding company of non-financial institutions.
- 42) Onco Vida Instituto Especializado de Oncologia S.A. is a privately-held corporation located in Brazil, in the Federal District, city of Brasília, which is primarily engaged in: the provision of services in the several medical, clinical and surgical fields, conducting outpatient and hospital activities, which include medical appointments and outpatient clinical and surgical procedures. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 43) Aliança Instituto de Oncologia S.A. is a privately-held corporation located in Brazil, in the Federal District, city of Brasília, which is primarily engaged in: the provision of medical services, either at own or third-party facilities, involving the following specialties: a) Oncology, both clinical (including chemotherapy) and hospital (including surgeries); b) Rheumatology; c) Hematology; d) Immunotherapy; e) Administration of supportive medications such as antibiotics, antifungal, antiviral drugs; f) Outpatient Surgeries; g) Diagnosis of hematological diseases; h) Gynecology; i) Cardiology; j) Head and neck surgery; k) General surgery; l) Infectious diseases; m) Genetics; n) Mastology; o) Vaccine application; p) Psychiatry; q) Orthopedics; r) Endocrinology; s) Gastroendocrinology; t) performance of invasive medical examinations; and u) healthcare center services in general and other specialties and services in the medical and non-medical professional segment. During the six-month period ended June 30, 2021, the Group acquired an additional interest in this subsidiary as disclosed in note 11.
- 44) Oncoclínicas Participações RJ ES Ltda. is a limited liability company located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: holding equity interests in other entities of any nature, either as a partner or shareholder, in Brazil or abroad; and management and sale of own assets.
- 45) Oncoclínicas Rio de Janeiro S.A. is a limited liability company located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: The provision of outpatient medical services in the clinical oncology field, including chemotherapy services and specialized examinations for prevention, research and diagnosis, therapy and treatment of oncological diseases.
- 46) Boston Lighthouse Innovations, Inc. is a Corporation located in the United States, County of Sussex, Delaware, which is primarily engaged in: the development and sale of genomic bioinformatics methods.
- 47) Navarra RJ Serviços Oncológicos S.A. is a privately-held corporation located in Brazil, in the State of Rio de Janeiro, city of Niterói, which is primarily engaged in: (a) the provision of chemotherapy services; (b) the provision of outpatient medical services; (c) the development and direct performance of activities relating to medical, hospital and healthcare services; (d) the provision of all and any services involving the acquisition or import of all and any pieces of equipment, machinery, materials and inputs required for the performance of said activities; and (e) the performance of any related or accessory activities or activities deemed necessary to achieve the company's corporate purpose.
- 48) Pontus Participações S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: holding equity interests in other companies and corporations, either as a partner or shareholder.
- 49) Yukon Oncologia e Participações S.A. is a privately-held corporation located in Brazil, in the State of Bahia, city of Salvador, which is primarily engaged in: (i) the provision of medical and hospital services in general, specifically including hematology and oncology-related activities and comprising patient care, diagnosis, therapy, emergency, life support, surgical, hospitalization procedures, among others; and (ii) holding equity interests in other companies and corporations, either as a partner or shareholder.
- 50) Baikal Oncologia e Participações S.A. is a privately-held corporation located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: (i) the provision of medical and hospital services in general, specifically including hematology and oncology-related activities and comprising patient care, diagnosis, therapy, emergency, life support, surgical, hospitalization procedures, among others; and (ii) holding equity interests in other companies and corporations, either as a partner or shareholder.
- 51) Angará Oncologia e Participações S.A. is a privately-held corporation located in Brazil, in the Federal District, city of Brasília, which is primarily engaged in: (i) the provision of medical and hospital services in general, specifically including hematology and oncology-related activities and comprising patient care, diagnosis, therapy, emergency, life support, surgical, hospitalization procedures, among others; and (ii) holding equity interests in other companies and corporations, either as a partner or shareholder.
- 52) Andrômeda Participações Ltda. is a limited liability company located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: holding equity interests in other entities of any nature, either as a partner or shareholder, in Brazil or abroad; and management and sale of own assets.
- 53) Locus – Anatomia Patológica e Citologia Ltda. is a limited liability company located in Brazil, in the State of São Paulo, city of São Paulo, which is primarily engaged in: The provision of pathological and cytological anatomy services intended to support treatment and diagnosis processes, including related and supplementary services.
- 54) Hospital de Oncologia do Méier S.A. is a privately-held corporation located in Brazil, in the State of Rio de Janeiro, city of Rio de Janeiro, which is primarily engaged in: (i) medical and hospital services in several specialties, including oncology, radiotherapy, surgical procedures, healthcare center and medical assistance, appointments and hospitalizations; (ii) emergency room care, operation of hospital units for emergencies and mobile ICU; (iii) laboratory and imaging diagnostics, x-ray, endoscopy, ultrasound, tomography and similar services; and (iv) the provision of supplementary services for supporting the aforesaid activities, including the direct and indirect operation of parking lots.
- 55) IRA Instituto Roberto Alvarenga Ltda. is a limited liability company located in Brazil, in the State of Minas Gerais, city of Belo Horizonte, which is primarily engaged in: the provision of services involving activities of the pathological-cytological anatomy laboratories.

- 56) Instituto Materno Infantil de Minas Gerais S.A. is a privately-held corporation located in Brazil, in the State of Minas Gerais, city of Nova Lima, which is primarily engaged in: hospital care activities, including emergency room and hospital units for emergency care; hospital management advisory services; development of scientific activities and medical training; lease or sublease of its physical-structural area necessary to provide supplementary services in connection with medical and hospital services and human health assistance. Finally, the Company may acquire equity interest in other entities, provided that these entities are engaged in activities similar to its corporate purpose.
- 57) The FIDC establishment is exclusively intended for the Group's companies to conduct investments and assignments of receivables. As at December 31, 2020, the Group holds 100% of the Fund's units. Oncoclínicas and its subsidiaries will be in charge of acquiring the FIDC's units. The Fund's asset portfolio comprises Oncoclínicas Group's loan agreements and fixed-income investments. The Fund is effective for an indefinite term and may be settled as approved at the General Meeting, pursuant to the Fund's Regulation. The Fund's net assets will be comprised of a single class of units. The FIDC's acquired units are initially measured at fair value and subsequently measured at amortized cost, in accordance with CPC 48 – Financial Instruments, since: (i) according to the proposed business model, the FIDC's unitholders should hold their units to maturity so as to collect contractual cash flows; and (ii) on the redemption date, the amount of FIDC's units should be measured at the acquisition cost, plus income earned, using the rate applicable to the acquisition of receivables and investments in other financial instruments. FIDC is a special-purpose entity whose operations will be substantially conducted as per the operating requirements of Oncoclínicas Group, which will be exposed to most related risks and rewards. In accordance with CVM Instruction 408/04, the Company consolidates the financial statements of FIDC Oncoclínicas, a special-purpose entity whose operations are substantially conducted as per the operating requirements of the Company, which, given the ownership of all subordinated units, was exposed to most risks and rewards underlying the fund.
- 58) Oncoclínicas Salvador S.A is a privately-held corporation located in Brazil, in the State of Salvador, which is primarily engaged in: the provision of radiotherapy services, including hospital care activities, except for emergency room and emergency care units, and outpatient medical activities through resources for the performance of complementary tests.
- 59) Talassa Participações S.A is a privately-held corporation located in Brazil, in the State of Santa Catarina, city of Belo Horizonte, which is primarily engaged in: the provision of chemotherapy and radiotherapy services; the provision of outpatient medical services, the development and direct and indirect performance of activities relating to medical, hospital and healthcare services; the provision of all and any services involving the acquisition or import of all and any pieces of equipment, machinery, materials and/inputs required for the performance of said activities; and the performance of any related or accessory activities or activities deemed necessary to achieve the company's corporate purpose. This subsidiary was established as a vehicle to regulate the joint investment of the Company and UGF through UGF Par, in Talassa (see note 13).

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 the result 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

There are no CPC/IFRS standards or ICPC interpretations/ International Financial Reporting Interpretations Committee ("IFRIC") recently issued, applicable to the Company, which have been adopted in the current quarter by the Company and its subsidiaries.

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 allocation of the purchase price arising from the acquisition of Hospital Vila da Serra, which took place on November 24, 2020, was provisionally accounted for in the financial statements for the year ended December 31, 2020, as permitted by technical pronouncement CPC 15 (equivalent to international standard IFRS 3).

During the six-month period ended June 30, 2021, the Group carried out an assessment of the acquiree's litigation, determining a fair value of R\$ 14,661 referring to "possible" causes and all events are indemnifiable by the sellers of the Vila da Serra Hospital. In compliance with IFRS 3/CPC 15, which establishes that contingent liabilities identified in a business combination must be recognized in the acquirer's financial statements at their respective fair values, the Company restated the balances for the comparative period of December 31, 2020, according to the requirement of the aforementioned technical pronouncement, as follows:

12/31/2020	Originally stated	Adjustments	Restated balance
Total assets	3,362,658	14,661	3,377,319
Other assets (noncurrent)	33,515	14,661	48,176
Other	3,329,143	-	3,329,143
Total liabilities	2,685,352	14,661	2,700,013
Contingencies	5,405	14,661	20,066
Other	2,679,947	-	2,679,947
Total equity	677,306	-	677,306

There was no business combination in the six-month period ended June 30, 2021.

5. CASH AND CASH EQUIVALENTS

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and banks	359	1,176	12,565	16,651
Short-term investments (i)	47,531	81,377	346,243	724,137
Total cash and cash equivalents	47,890	82,553	358,808	740,788

- (i) Short-term investments are mainly represented by Bank Deposit Certificates (CDBs) yielding interest corresponding to rates of up to 98.5% in 2021 (99% in 2020) of the Interbank Deposit Certificate (CDI) rate, highly liquid.

6. SECURITIES AND OTHER FINANCIAL ASSETS

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Short-term investments pledged as collaterals for loans (i)	-	46,206	-	46,206
Short-term investments (ii)	487	350	34,818	32,795
Total	487	46,556	34,818	79,001
Current	-	46,206	-	46,206
Noncurrent	487	350	34,818	32,795

- (i) The short-term investments have been pledged as collaterals for the loan obtained from Citibank, yielding interest equivalent to 100% of the CDI rate, which was settled in advance in March 2021.
- (ii) Short-term investments are represented by R\$11,959 as at June 30, 2021 (R\$11,672 as at December 31, 2020) relating to funds held in long-term investments held by Aliança Instituto de Oncologia S.A. at Old Mutual International, R\$1,514 and R\$213 (R\$1,505 and R\$213 as at December 31, 2020) refer to capital accounts in Radioterapia Recife Ltda. and Núcleo de Oncologia de Sergipe S.A. (NOS) with BNB, R\$1,828 (R\$842 as at December 31, 2020) refer to the Group's funds invested in financial institutions Unicred and Sicoob and R\$19,297 (R\$18,563 as at December 31, 2020) represents the investment in fixed-income investment fund. These short-term investments comprise the investment portfolio of FIDC Oncoclínicas, which is managed by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A. Investments yield interest of up to 91% of the CDI rate and FIDC up to 1.34 for the first half of 2021.

6.1. Derivative financial instruments

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Assets				
Derivatives instruments - swap	-	2,549	-	2,549
Liabilities				
Derivatives instruments - swap			17,437	
Current	-	-	14,446	-
Noncurrent	-	-	2,971	-

The Company carried out a swap transaction to hedge the borrowing obtained from Banco Citibank in U.S. dollar against currency fluctuations (see note 16). Such financial instrument was measured at fair value through profit or loss, and the balance as at June 30, 2021 is a liability of R\$17,437.

Details on the derivative financial instruments contracted by the Group are as follows:

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 June 30, 2021, the curve value is R\$17,012. 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.

2020

The swap transaction was carried out in April 2020, maturing within a 12-month period. Such financial instrument is measured at fair value through profit or loss. The swap was settled in March 2021. As at December 31, 2020, the curve value is R\$3,717. The average finance charges are equivalent to approximately 100% of the CDI rate + 3.20% p.a. The long and short positions are disclosed in note 28.

7. TRADE RECEIVABLES

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Trade receivables	17,820	18,898	213,229	172,352
Unbilled revenues	24,641	19,083	424,044	378,032
Total trade receivables and unbilled revenues	42,461	37,981	637,273	550,384
Allowance for expected credit losses (ECL)	(3,839)	(11,234)	(26,235)	(34,580)
Provision for disallowance	(3,233)	(1,743)	(54,148)	(34,540)
	35,389	25,004	556,890	481,264

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 as at June 30, 2021 (85 days as at December 31, 2020).

The aging list of trade receivables is as follows:

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Current	33,283	20,523	410,707	346,288
Up to 30 days past-due	1,664	2,077	94,026	80,480
Up to 60 days past-due	625	443	35,054	31,249
Up to 90 days past-due	832	443	28,593	28,056
91 to 180 days past-due	560	2,351	26,340	18,117
Over 180 days past-due	5,497	12,144	42,553	46,194
	<u>42,461</u>	<u>37,981</u>	<u>637,273</u>	<u>550,384</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 disallowances are as follows:

	Parent	Consolidated
Balance as at December 31, 2019	(6,277)	(54,213)
Reversal	114	15,287
Recognition	(2,901)	(41,137)
Balance as at June 30, 2020	<u>9,064</u>	<u>80,063</u>
Balance as at December 31, 2020	(12,977)	(69,120)
Reversal	8,667	28,162
Recognition	(2,762)	(39,425)
Balance as at June 30, 2021	<u>(7,072)</u>	<u>(80,383)</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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Medicines	188	834	33,921	18,699
Material and Personal Protective Equipment (PPE)	9,329	6,986	18,818	18,762
Advance	-	-	79	-
Total	<u>9,517</u>	<u>7,820</u>	<u>52,818</u>	<u>37,461</u>

Inventories refer mainly to medicines used in chemiotherapeutic procedures. There is no allowance for inventory losses and guarantees, considering an average turnover period of approximately 46 days as at June 30, 2021 (62 days as at December 31, 2020) and guarantees provided and/or restrictions on the full use of inventories.

Due to the pandemic, the Company reinforced its inventories, acquiring PPE materials so as to meet safety requirements and the quality protocols while serving its patients.

9. RECOVERABLE TAXES

Recoverable taxes are broken down as follows:

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Income tax (IRPJ) and Social contribution (CSLL)	6,421	5,770	23,489	21,883
Withholding income tax (IRRF)	10,624	5,559	26,953	19,691
Taxes on revenue (PIS and COFINS)	1,561	1,799	34,439	35,136
Service tax (ISS)	-	-	1,955	2,450
Other taxes	-	-	379	358
	<u>18,606</u>	<u>13,128</u>	<u>87,215</u>	<u>79,518</u>

10. OTHER ASSETS

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Advances to suppliers	2,638	4,163	8,906	8,768
PERT under consolidation (a)	1,633	1,633	20,234	20,234
Disposal of equity interests (b)	18,576	13,405	20,281	15,216
Machinery lease	3,833	2,660	1,333	720
Sundry advances (b)	776	317	18,100	2,409
Prepaid expenses	3,198	1,909	4,731	3,130
Prepaid expenses with initial public offering (d)	3,894	-	3,894	-
Other (e)	324	950	20,199	22,168
	<u>34,872</u>	<u>25,037</u>	<u>97,678</u>	<u>72,645</u>
Current	15,122	11,188	28,915	24,469
Noncurrent	19,750	13,849	68,763	48,176

- (a) Pursuant to §2, Art.2 of Law 13,496/17, which introduced the Special Tax Regularization Program (PERT), the possibility of using tax loss carryforwards CSLL (BCN), calculated up to December 31, 2015, own or of subsidiaries, either directly or indirectly, was disclosed in note 18 (i).

- (b) In May 2021, a Private Agreement of Atypical Lease of non-residential property was signed, under the Built To Suit modality between Hymalaia Empreendimentos Imobiliários S.A. (Lessor) and Oncoclínicas – Centro Tratamento Oncológico S.A. (Lessee). As provided for in the contract, the Group paid R\$13,500 as advance lease, corresponding to the first six months of the initial contractual term. The purpose of this agreement is the development, in the Properties, 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 ("Mixed Use Enterprise"), 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.
- (c) The equity interest purchase and sale transactions between the Company, its subsidiaries and third parties are shown below Balances are adjusted based on the CDI + IPCA and mature up to 2030.

Lender	Disposal of equity interest	06/30/2021	12/31/2020
<u>Parent</u>			
Oncoclínicas	RT Portugal	5,661	5,771
Oncoclínicas	Pontus	10,783	4,999
Oncoclínicas	CPO SP	1,444	1,444
Oncoclínicas	Multihemo	225	278
Oncoclínicas	RT Recife	-	450
Oncoclínicas	Other	463	463
Total		18,576	13,405
<u>Subsidiaries</u>			
Salvador	Multihemo	-	15
CMI	Multihemo	666	829
	Noncontrolling interest		
NOB	(acquisition of treasury shares)	-	116
Oncopar	Pro Onco	888	851
CTO RJ	IRA	151	-
Total		1,705	1,811
Total consolidated		20,281	15,216

- (d) In the first half of 2021, the Company started the process of initial public offering and the respective costs incurred in this process until June 30, 2021 were capitalized as provided for in CPC 08 (R1). Upon completion of the initial public offering, these costs will be transferred to a capital reduction account, within equity, as set forth in CVM Guidance 649/10 and determination of CPC 08 (R1).
- (e) Includes amounts arising from events indemnifiable by the sellers of Hospital Vila da Serra, in the amount of R\$ 14,661, as mentioned in note 4.

11. INVESTMENTS IN SUBSIDIARIES

a) Breakdown

	Parent	
	06/30/2021	12/31/2020
Investments in subsidiaries	488,984	635,766
Goodwill (i)	101,195	128,068
	<u>590,179</u>	<u>763,834</u>

- (i) Refers to the goodwill arising on business combinations carried out by the Parent. The reduction in the first half of 2021, in the amount of R\$26,873, is due to the corporate restructuring carried out in the Group, in which the Parent spun off to Idengene the goodwill of Boston Lighthouse in the amount of R\$35,611; R\$2,147 of this amount refer to the effect of foreign exchange fluctuation to the transaction date and the goodwill of Locus in the amount of R\$3,190.

With the new structure, the Parent directly controls Idengene, assuming its goodwill in the amount of R\$9,781, net of the recognition of deferred income tax and social contribution in the amount of R\$5,039, as disclosed in note 27(i).

Variations in investments are as follows:

Companies	12/31/2020	Profit distribution	Share of profit (loss) of subsidiaries	Changes in equity interest (ii)	Corporate restructuring (iii)	Transfer (iv)	Foreign exchange fluctuation	Capital increase (v)	Other (i)	06/30/2021
Chemotherapy	110,601	(5,065)	8,075	(8,413)	(5,969)	(63,101)	-	-	143	36,271
Radiotherapy	13,942	(420)	597	171	-	-	-	-	-	14,290
Precision medicine	8,449	-	(14,036)	-	84,604	-	(4,404)	15,905	-	90,518
Vehicle entities	473,135	(13,621)	10,190	(240,620)	(44,256)	63,101	-	43,614	(2,051)	289,492
Other	27,836	-	(8,120)	-	-	-	-	-	-	19,716
Total	633,963	(19,106)	(3,294)	(248,862)	34,379	-	(4,404)	59,519	1,908	450,287
Investments	635,766									488,984
Equity deficit*	(1,803)									(38,697)

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

Companies	12/31/2019	Profit distribution	Share of profit (loss) of subsidiaries	Changes in equity interest (ii)	New acquisitions	Foreign exchange fluctuation	Capital increase	Other (i)	06/30/2020
Chemotherapy	124,618	-	15,067	-	-	-	-	-	139,685
Radiotherapy	27,067	-	(1,126)	(6,020)	-	-	-	120	20,041
Precision medicine	14,619	-	(5,916)	-	2,129	5,099	-	4	15,935
Company cars	373,868	-	9,484	998	-	-	23,053	6,088	413,491
Other	(1,527)	-	(7,895)	-	-	-	43,475	-	34,053
Total	538,645	-	9,614	(5,022)	2,129	5,099	66,528	6,212	623,205
Investments	540,857								627,835
Equity deficit*	(2,212)								(4,630)

(i) Other

Price change

In 2020

In May 2020, the Parent recognized an increase in the investment of its subsidiary Oncocentro Imagem, in the amount of R\$ 5,407, arising from the fair value review of the shares paid in by the remaining shareholders of Núcleo de Hematologia e Transplante de Medula Óssea de Minas Gerais Ltda

In 2021

In May 2021, Oncocentro Imagem paid up a capital reserve, approved in May 2019, at Oncoclínicas Minas Gerais. The amount was contributed only by it and there was no dilution of the noncontrolling shareholders. Therefore, a negative effect on equity was recognized under “transactions between shareholders” in the amount of R\$2,051, which corresponds to the amount paid in excess of the interest.

(ii) Changes in equity interest

In 2020

In April 2020, the sale of 50% of the common shares in Centro de Excelência de Radioterapia Rio de Janeiro (RT Portugal) was carried out, reducing the Parent's investment by R\$6,020.

In 2021

In the first half of 2021, share purchase and sale agreements were signed, under which the Company increased its direct and/or indirect interests in certain subsidiaries.

The amounts involved and the accounting consequences arising from purchases of noncontrolling interest are as follows:

Subsidiaries	% equity interest	Price on acquisition	Carrying amount of noncontrolling interest	Gain/loss on acquisitions accounted for in equity
		(a)	(b)	(c)
Núcleo de Oncologia da Bahia S.A.	1.00%	743	225	518
Multihemo Serviços Médicos S.A.	25.62%	80,817	15,019	65,798
CPO - Centro Paraibano de Oncologia S.A.	25.00%	29,914	2,416	27,499
Núcleo de Oncologia de Sergipe S.A.	56.79%	40,750	5,415	35,335
Hematológica - Clínica de Hematologia S.A.	41.99%	64,898	3,855	61,043
Radioterapia Oncoclínicas Recife S.A.	2.40%	132	171	39
CECON - Centro Capixaba de Oncologia S.A.	13.50%	6,804	928	5,876
Onco Vida Instituto Especializado de Oncologia Clínica S.A.	24.04%	13,997	1,919	12,078
Instituto de Hematologia e Oncologia de Curitiba S.A. – Clínica Médica	6.00%	4,336	491	3,845
Aliança Instituto de Oncologia S.A.	25.00%	43,000	6,090	36,910
TOTAL		285,340	36,528	248,862

- a) Refers to the amount of consideration transferred for acquisition of additional interest from non-controlling shareholders.
- b) Refers to the carrying amount of noncontrolling interest represented by the percentage of interest acquired, multiplied by the equity amount acquired on the transaction date.
- c) Refers to the goodwill paid on acquisitions of noncontrolling interests, represented by the difference between the consideration transferred and the carrying amount of the investment acquired, recorded in equity under "transactions between shareholders".

(iii) Corporate restructuring

As mentioned in Note 1, in May 2021, the Group carried out a corporate restructuring between the Parent and certain subsidiaries, consisting of the spin-off of certain balances of investments and intangibles with a contra entry to capital increase in subsidiary Idengene.

As it is a transaction between subsidiaries of the Group, the aforementioned corporate restructuring had no effect on the consolidated interim financial information of the Group, except for the recognition of the tax benefit related to deferred income tax and social contribution arising from the realization of goodwill in business combination, in the amount of approximately R\$5,000.

In the Company's individual interim financial information, the effects were as follows:

Spin-off and capital increase of Idengene	Amount
Goodwill Boston Lighthouse "BLI"	35,611
Goodwill Locus Anat.Patol. e Citologia Ltda	3,190
Advance for future capital increase Locus Anat.Patol. e Citologia Ltda	<u>5,400</u>
Subtotal (1)	44,201
Capital reduction and constitution of deferred IR and CSLL	
Capital reduction at Oncohematologia Participações Ltda.	(14,819)
Constitution of deferred income tax and social contribution at Idengene Medicina Diagnostica S.A.	<u>4,997</u>
Subtotal (2)	(9,822)
TOTAL	34,379

(1) The amount of R\$44,201 represents the portion of the goodwill and advance for future capital increase spun off to Idengene. The portion of the investment referring to the interest in the equity of the spun-off investees did not result in an accounting impact on the parent.

(2) The amount of R\$9,822 represents the net effect of the spin-off of the goodwill in Oncohematology and the constitution of deferred IR and CSLL on the goodwill incorporated by Idengene.

(iv) Transfer of interest between subsidiaries

In June 2021, Centro de Tratamento Oncológico (CTO RJ) joined the corporate structure of the companies Onco Imagem, Oncologia Participation Ltda., Oncoclínicas Participation SP, Oncopar and CMI. This change had no effect on the parent's investment balance.

(v) Capital increase

In 2021

In February 2021, the Parent spun off to Idengene Medicina Diagnóstica S.A. the amount of R\$15,905 referring to intangible assets recorded in software development.

Dividends from subsidiaries

Dividends paid by direct subsidiaries are broken down as follows:

	Allocation of dividends		
	Parent	Noncontrolling shareholders	Total
	<u>06/30/2021</u>	<u>06/30/2021</u>	<u>06/30/2021</u>
Centro Mineiro de Infusão S.A.	1,530	1,070	2,600
Centro Paulista de Oncologia S.A.	4,975	25	5,000
Oncopar Sul Empreendimentos e Participações Ltda.	1,801	99	1,900
Oncoclínicas Participações SP Ltda.	6,111	4,739	10,850
Instituto de Oncologia de Ribeirão Preto S.A.	90	1,910	2,000
Oncocentro Imagem Serviços Médicos Ltda.	4,179	421	4,600
CPO - Centro Paraibano de Oncologia S.A.	420	2,580	3,000
Total	<u>19,106</u>	<u>10,844</u>	<u>29,950</u>

Equity interest held in direct investees							
06/30/2021							
Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the six-month period	Investment amount	Profit or loss under the equity method – of direct investees
Centro Mineiro de Infusões	58.80%	122,552	94,117	28,435	7,568	16,720	6,949
Oncoclínicas Salvador	100.00%	13,085	3,851	9,234	1,397	9,234	1,397
Centro Paulista de Oncologia	99.50%	397,502	362,369	35,133	8,331	34,957	8,289
Oncopar	94.81%	97,777	10,861	86,916	779	82,405	783
Onco Participações	92.13%	82,158	210	81,947	648	75,498	637
Radioterapia Oncoclínicas Recife	7.00%	51,010	45,239	5,771	(1,366)	404	(95)
Centro Exc.ª. Radioterapia Rio de Janeiro	50.00%	12,798	1,974	10,824	(1,474)	5,412	(737)
Onco Part. SP	45.78%	76,999	1	76,998	3,609	35,250	3,471
Oncobio	60.00%	91,478	56,655	34,823	(12,646)	20,894	(7,588)
Instituto Onc. De Ribeirão Preto	4.50%	7,451	3,774	3,676	1,122	165	50
Oncocentro Imagem	90.85%	157,558	67,291	90,267	4,901	82,008	4,846
CPO - Centro Paraibano de Oncologia S.A.	14.00%	17,373	10,402	6,971	2,269	976	318
Idengene	99.17%	111,979	20,689	91,290	(13,577)	90,534	(11,527)
Leste Fluminense	33.49%	110,558	53,520	57,038	9,557	19,106	3,201
Boston Lighthouse	90.28%	7,813	5,138	2,675	(6,153)	-	(1,574)
Onco Part. ES RJ	99.99%	49,965	44,544	5,421	3,702	5,421	3,702
Cruz Participações	28.58%	49,992	15,002	34,991	-	10,000	-
Total investment		<u>1,458,048</u>	<u>795,637</u>	<u>662,410</u>	<u>8,666</u>	<u>488,984</u>	<u>12,122</u>
Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the six-month period	Investment amount	Profit or loss under the equity method – of direct investees
Oncohematologia	99.17%	28,195	38,230	(10,035)	(1,243)	(9,952)	(1,232)
RT Oncoclínicas São Paulo	99.00%	11,983	12,866	(883)	(288)	(874)	(285)
RT Oncoclínicas Salvador	100.00%	-	7	(7)	(1)	(7)	(1)
RT Oncoclínicas Ribeirão Preto	99.00%	-	11	(11)	(1)	(11)	(1)
Central de Gestão e Saúde	99.90%	2,285	3,464	(1,179)	(533)	(1,178)	(532)
Locus	100.00%	4,817	7,995	(3,178)	(2,645)	-	(913)
Pontus	50.01%	23,027	38,740	(15,713)	(17,970)	(7,858)	(8,987)
Oncoclínica – Centro de Tratamento Oncológico	100.00%	724,730	743,546	(18,816)	(3,465)	(18,817)	(3,465)
Total equity deficit		<u>795,037</u>	<u>844,859</u>	<u>(49,822)</u>	<u>(26,146)</u>	<u>(38,697)</u>	<u>(15,416)</u>
Total direct investments		<u>2,253,085</u>	<u>1,640,496</u>	<u>612,588</u>	<u>(17,480)</u>	<u>450,287</u>	<u>(3,294)</u>

Equity interest held in direct investees							
06/30/2020							
Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the six-month period	Investment amount	Profit or loss under the equity method – of direct investees
Centro Mineiro de Infusões	100.00%	87,577	1,608	85,969	6,929	85,969	6,931
Oncoclínicas Salvador	100.00%	16,943	3,290	13,653	(774)	13,653	(774)
Centro Paulista de Oncologia	85.90%	108,801	65,909	42,892	8,052	36,844	6,916
Oncoclínica – Centro Trat. Oncológico	95.04%	372,780	280,695	92,085	9,234	87,518	8,776
Oncopar	99.99%	98,224	20,708	77,516	1,807	77,508	1,807
Onco Participações	99.99%	81,558	1,327	80,231	628	80,223	628
Oncohematologia	99.00%	58,296	28,886	29,410	-	29,116	(4,450)
RT Oncoclínicas Recife	4.600%	54,483	46,420	8,063	(2,684)	371	(123)
Centro de Excelência RT Rio de Janeiro	50.00%	14,503	2,390	12,113	222	6,057	185
Onco Part. SP	99.00%	74,994	11,281	63,713	4,085	63,076	4,044
Instituto Onc. De Ribeirão Preto	4.50%	9,462	5,927	3,535	1,437	159	65
Oncocentro Imagem	99.99%	139,961	65,904	74,057	3,310	74,049	3,309
Centro Paraibano de Oncologia	14.00%	25,499	15,742	9,757	3,675	1,366	515
Oncobio Serviços DE Saúde AS	60.00%	98,482	40,688	57,794	(12,129)	34,677	(7,256)
RT Oncoclínicas Salvador	100.00%	8	7	1	(10)	1	(10)
Idengene	1.00%	29,947	28,478	1,469	-	15	(54)
Navarra	33.49%	74,244	31,514	42,730	-	14,313	(689)
Pontus Part. Ltda.	99.99%	7,071	70	7,001	(67)	7,000	(67)
Boston Lighthouse	90.28%	16,037	65	15,972	(5,611)	14,588	(5,065)
Locus	100.00%	2,392	1,060	1,332	(797)	1,332	(797)
Total investment		<u>1,371,262</u>	<u>651,969</u>	<u>719,293</u>	<u>17,307</u>	<u>627,835</u>	<u>13,891</u>
Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the six-month period	Investment amount	Profit or loss under the equity method – of direct investees
RT Oncoclínicas Ribeirão Preto	99.00%	1	2	(1)	(2)	(1)	(2)
Central de Gestão e Saúde	99.90%	3,473	4,129	(656)	(640)	(655)	(640)
Onco Part. ES RJ	99.99%	13,350	16,763	(3,412)	(2,719)	(3,412)	(2,719)
RT Oncoclínicas São Paulo	99.00%	12,054	12,622	(568)	(926)	(562)	(916)
Total equity deficit		<u>28,878</u>	<u>33,516</u>	<u>(4,637)</u>	<u>(4,287)</u>	<u>(4,630)</u>	<u>(4,277)</u>
Total direct investments		<u>1,400,140</u>	<u>685,486</u>	<u>714,656</u>	<u>13,020</u>	<u>623,205</u>	<u>9,614</u>

12. PROPERTY AND EQUIPMENT

Description	Annual depreciation rates	Parent			
		June 30, 2021			December 31, 2020
		Cost	Accumulated depreciation	Balance	Balance
Machinery and equipment	10%	49,917	(9,020)	40,897	50,392
Facilities	10%	559	(279)	280	306
Furniture and fixtures	10%	3,490	(1,435)	2,055	2,200
Computers and peripherals	20%	5,923	(3,161)	2,762	2,330
Leasehold improvements	10%	17,251	(5,752)	11,499	8,747
Land	-	986	-	986	986
Advance for property and equipment	-	1,232	-	1,232	-
Construction in progress	-	3,541	-	3,541	61
Total		<u>82,899</u>	<u>(19,647)</u>	<u>63,252</u>	<u>65,022</u>

Description	Annual depreciation rates	Consolidated			
		06/30/2021			12/31/2020
		Cost	Accumulated depreciation	Balance	Balance
Machinery and equipment	10%	215,525	(79,980)	135,545	133,204
Facilities	10%	10,823	(4,160)	6,663	12,187
Furniture and fixtures	10%	25,189	(11,899)	13,290	13,048
Computers and peripherals	20%	25,297	(13,264)	12,033	8,967
Leasehold improvements	10%	271,377	(75,309)	196,068	171,587
Company cars	25%	511	(511)	-	26
Land	-	1,441	-	1,441	1,441
Advance for property and equipment	-	1,514	-	1,514	-
Construction in progress	-	18,098	-	18,098	53,335
Total		<u>569,775</u>	<u>(185,123)</u>	<u>384,652</u>	<u>393,795</u>

As at June 30, 2021, and December 31, 2020, 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.

Oncoclínicas do Brasil Serviços Médicos S.A.

Parent	Machinery and equipment	Facilities	Furniture and fixtures	Computers and peripherals	Leasehold improvements	Construction in progress	Advance	Land	Total
Balance as at December 31, 2019	35,226	358	2,126	1,609	9,765	17,135	-	986	67,205
Purchases	-	-	399	642	103	4,846	-	-	5,990
Depreciation	(1,916)	(26)	(164)	(347)	(703)	-	-	-	(3,156)
Transfers	7,665	-	-	-	-	(7,665)	-	-	-
Balance as at June 30, 2020	40,975	332	2,361	1,904	9,165	14,316	-	986	70,039
Balance as at December 31, 2020	50,392	306	2,200	2,330	8,747	61	-	986	65,022
Purchases	50	2	41	900	141	374	1,232	-	2,740
Depreciation	(2,885)	(26)	(189)	(478)	(787)	-	-	-	(4,365)
Write-offs	(145)	-	-	-	-	-	-	-	(145)
Transfers	(6,515)	(2)	3	10	3,398	3,106	-	-	-
Balance as at June 30, 2021	40,897	280	2,055	2,762	11,499	3,541	1,232	986	63,252

Oncoclínicas do Brasil Serviços Médicos S.A.

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, 2019	100,698	8,189	10,990	6,469	145,033	142	1,441	-	42,150	315,112
New companies										
Locus	737	-	28	188	554	-	-	-	-	1,507
Purchases	2,812	1	1,903	1,902	13,305	-	-	-	19,106	39,028
Depreciation	(6,056)	(616)	(1,082)	(1,151)	(8,431)	(65)	-	-	-	(17,401)
Write-offs	(13)	-	(39)	(10)	-	(10)	-	-	-	(72)
Transfers	18,469	100	(516)	(119)	5	-	-	-	(17,939)	-
Balance as at June 30, 2020	116,647	7,674	11,284	7,279	150,466	67	1,441	-	43,317	338,175
Balance as at December 31, 2020	133,204	12,187	13,048	8,967	171,587	26	1,441	-	53,335	393,795
Purchases	3,173	190	954	4,826	265	37	-	1,514	10,203	21,162
Depreciation	(11,273)	(692)	(1,029)	(1,830)	(12,911)	-	-	-	-	(27,735)
Write-offs	-	-	-	(41)	-	(63)	-	-	-	(104)
Transfers	10,441	(5,022)	317	111	37,127	-	-	-	(45,440)	(2,466)
Balance as at June 30, 2021	<u>135,545</u>	<u>6,663</u>	<u>13,290</u>	<u>12,033</u>	<u>196,068</u>	<u>-</u>	<u>1,441</u>	<u>1,514</u>	<u>18,098</u>	<u>384,652</u>

13. INTANGIBLE ASSETS

The intangible assets of the Company and its subsidiaries are comprised of systems and applications, exclusivity rights, 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			
		June 30, 2021		December 31, 2020	
		Cost	Accumulated amortization	Balance	Balance
Systems and applications	20%	12,682	(8,695)	3,987	4,076
Exclusivity right	20%	28,141	(10,340)	17,801	22,283
Software development	-	24,712	-	24,712	35,185
Goodwill	-	9,585	-	9,585	9,585
Trademarks and patents	-	269	-	269	269
Intellectual property	20%	9,360	(406)	8,954	-
Total		84,749	19,441	65,308	71,398

Description	Annual amortization rates	Consolidated			
		06/30/2021		12/31/2020	
		Cost	Accumulated amortization	Balance	Balance
Systems and applications	20%	35,657	(25,699)	9,958	11,237
Software and project development	-	70,786	-	70,786	60,503
Exclusivity right	20%	68,269	(33,765)	34,504	41,220
Goodwill on acquisition of investments	-	606,777	-	606,777	612,818
Partnership agreement	8.3%	563,201	(39,863)	523,338	482,123
Trademarks and patents	-	746	-	746	746
Intellectual property	20%	11,694	(406)	11,288	-
Total		1,357,130	(99,733)	1,257,397	1,208,647

As at June 30, 2021, and December 31, 2020, 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 June 30, 2021 and December 31, 2020.

	Parent						Total
	Systems and applications	Software development	Goodwill - Oncocentro	Exclusivity right	Trademarks and patents	Intellectual property	
Balance as at December 31, 2019	4,363	11,871	9,585	1,921	269	-	28,009
Purchases	547	7,011	-	7,923	-	-	15,481
Amortization	(1,012)	-	-	(1,130)	-	-	(2,142)
Balance as at June 30, 2020	3,898	18,882	9,585	8,714	269	-	41,348
Balance as at December 31, 2020	4,076	35,184	9,585	22,283	269	-	71,397
Purchases	1,133	14,604	-	-	-	-	15,737
Amortization	(1,035)	-	-	(4,482)	-	(406)	(5,923)
Corporate restructuring	-	(15,905)	-	-	-	-	(15,905)
Transfers	(187)	(9,173)	-	-	-	9,360	-
Balance as at June 30, 2021	3,987	24,710	9,585	17,801	269	8,954	65,306

	Consolidated							
	Systems and applications	Software development	Partnership agreement (i)	Goodwill on acquisition of investments (iii)	Exclusivity rights (ii)	Trademarks and patents	Intellectual property	Total
Balance as at December 31, 2019	14,656	28,523	135,788	414,922	24,744	736	-	619,369
Purchases	1,822	13,314	300,000	10,221	7,922	-	-	333,279
Amortization	(2,848)	-	(7,466)	-	(5,720)	-	-	(16,034)
Foreign exchange fluctuation	-	-	-	9,601	-	-	-	9,601
Balance as at June 30, 2020	13,630	41,837	428,322	434,744	26,946	736	-	946,215
Balance as at December 31, 2020	11,237	60,503	482,123	612,818	41,220	746	-	1,208,647
Purchases	990	19,910	49,991	-	1,000	-	2,330	74,221
Goodwill on corporate restructuring*	-	-	-	(5,039)	-	-	-	(5,039)
Amortization	(2,532)	-	(8,776)	-	(7,716)	-	(406)	(19,430)
Foreign exchange fluctuation	-	-	-	(1,002)	-	-	-	(1,002)
Transfers	263	(9,627)	-	-	-	-	9,364	-
Balance as at June 30, 2021	9,958	70,786	523,338	606,777	34,504	746	11,288	1,257,397

*Refers to the effect of the recognition of deferred income tax and social contribution on goodwill realized through the corporate restructuring disclosed in note 11 (i).

(i) Partnership agreements - main transactions for the period

2021

- a) On February 2, 2021, an Investment Agreement and Other Covenants was signed between the Company, Unimed Grande Florianópolis – Cooperativa de Trabalho Médico (“UGF”), and UGF Participações S.A. (“UGF Par”) and a subsidiary of the Company, Cruz Participações Ltda. (currently Talassa Participações S.A.) (“Talassa”), to regulate the joint investment of the Company and UGF, through UGF Par, in Talassa. The transaction involves a contribution to Talassa, with the UGF contribution comprising an intangible asset valued at R\$49,991 thousand and the Company's contribution in the amount of R\$25,000, in order to operationalize Talassa's activities. As part of the agreement, the amount of R\$ 25,000 referring to redeemable preferred shares will be redeemed by Unimed. The operation also involves the execution of ancillary contracts, including a partnership agreement under which the terms and conditions in which the parties will provide chemotherapy and outpatient medical services to UGF beneficiaries and other private patients are regulated; development and direct operation of activities related to medical, hospital and health care services.

2020

- a) Central Nacional da Unimed – Cooperativa Central (CNU) and Oncoclínicas do Brasil Serviços Médicos S.A (Oncoclínicas), established a strategic partnership for a 30-year term to serve together the beneficiaries of the healthcare plans operated by CNU, who have been diagnosed with oncology disorders and who seek oncology care. This partnership will cover the cities of São Paulo, Bahia and Brasília. To set up the partnership, Oncoclínicas invested amounts together with CNU, on organized way; Oncoclínicas adopted the cash contribution method and CNU used the customer portfolio, of which R\$61,600 in Yukon, R\$30,800 in Angara and R\$200,000 in Baikal. CNU's contribution to the capital of the partnerships was made based on an economic and financial valuation report, using the discounted cash flow method, based on historical facts and future market prospects.

Summary of the acquisitions listed above:

	<u>Consolidated</u>
Yukon	61,600
Baikal	200,000
Angara	<u>38,400</u>
Acquisitions up to June 30, 2020	<u>300,000</u>

(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.

(vi) Goodwill on acquisition of investments

Breakdown of the goodwill arising on the Group's acquisitions:

	<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>12/31/2020</u>
Oncoclínicas do Brasil Serviços Médicos S.A.	110,780	137,653
Oncoclínica – Centro de Tratamento Oncológico	1,500	6,955
Centro Mineiro de Infusões	15,982	15,982
Oncocentro Imagem Serviços Médicos	82,215	82,215
Centro de Quimioterapia Oncoclínicas	388	388
Oncopar	49,415	49,415
Oncologia Participações	16,287	16,287
Oncohematologia Participações	12,276	27,096
Idengene	41,107	-
Oncoclínicas Participações SP	53,892	53,892
Pontus Participações	1,337	1,337
Amazonas Participações	57,535	57,535
Andrômeda Participações	164,063	164,063
Total	<u><u>606,777</u></u>	<u><u>612,818</u></u>

Impairment tests of goodwill deriving from expected future earnings

Oncoclínicas Group annually tests goodwill deriving from expected future earnings to identify impairment loss, the last test was conducted for the year ended December 31, 2020. The Company monitored the assumptions used and did not identify any indication of impairment or need to conduct a new test as at June 30, 2021.

There was no need to recognize an impairment of goodwill arising on the acquisition of investments for the year ended December 31, 2020.

14. RIGHT OF USE - LEASE

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

14.1. Right-of-use assets

	<u>Parent</u>
Balance as at 12/31/2019	<u>19,933</u>
Addition	9,071
Amortization	(2,802)
Balance as at 06/30/2020	<u>26,202</u>
Balance as at 12/31/2020	<u>24,693</u>
Addition	-
Amortization	(2,333)
Balance 30/06/2021	<u>22,360</u>

	<u>Consolidated</u>		
	<u>Properties</u>	<u>Machinery and equipment</u>	<u>Total</u>
Balance as at 12/31/2019	123,019	-	123,019
Addition	21,163	-	21,163
Amortization	(13,544)	-	(13,544)
Balance as at 06/30/2020	<u>130,638</u>	<u>-</u>	<u>130,638</u>
Balance as at 12/31/2020	209,717	10,903	220,620
Addition	596	-	596
Amortization	(15,952)	(768)	(16,720)
Balance as 06/30/2021	<u>194,361</u>	<u>10,135</u>	<u>204,496</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 8.10% p.a. as at June 30, 2021 and December 31, 2020, considering that there were no new additions for the six-month period.

	<u>Parent</u>	<u>Consolidated</u>
Balance as 12/31/2019	20,600	128,707
Addition	9,071	21,163
Principal repayment	(2,049)	(11,015)
Payment of interest	(758)	(4,074)
Interest	832	4,579
Balance as 06/30/2020	<u>27,696</u>	<u>139,360</u>
Balance as at 12/31/2020	26,572	232,581
Addition	-	596
Principal repayment	(2,309)	(14,796)
Payment of interest	(854)	(5,473)
Interest	1,090	6,244
Balance as 06/30/2021	<u>24,499</u>	<u>219,152</u>
Current	4,395	31,238
Noncurrent	20,104	187,914

As at June 30, 2021, noncurrent is broken down as follows:

	<u>Parent</u>	<u>Consolidated</u>
2021	3,179	18,597
2022	6,377	36,799
2023	6,020	35,771
2024	5,074	30,141
2025	4,320	24,805
2026 and thereafter	6,228	269,454
Total	<u>31,198</u>	<u>415,567</u>
Embedded interest	<u>(6,699)</u>	<u>(196,415)</u>
Lease liability	<u>24,499</u>	<u>219,152</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 June 30, 2021, 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:

	Jun/ 2021	Dec./ 2021	Dec./ 2022	Dec./ 2023	Dec./ 2024	Dec./ 2025	Dec./ 2026	Dec./ 2027	Dec./ 2028	Dec./ 2029	Dec./ 2030	Jan./2031 and thereafter
IPCA	6.00%	6.00%	3.78%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Lease assets:												
Balance sheet	204,496	191,144	164,997	139,980	119,640	104,543	94,593	86,046	78,901	72,043	66,221	61,211
Projected flow	216,766	202,613	171,234	144,529	123,528	107,941	97,667	88,842	81,465	74,384	68,373	63,201
Lease liability:												
Balance sheet	219,152	208,952	186,313	163,242	144,004	128,716	119,106	110,700	103,685	96,550	90,497	85,511
Projected flow	232,301	221,489	193,356	168,547	148,684	132,899	122,977	114,298	107,055	99,688	93,438	88,290
Finance costs:												
Balance sheet	(6,244)	(7,627)	(14,161)	(12,700)	(10,903)	(9,517)	(8,446)	(7,763)	(7,184)	(6,658)	(6,163)	(104,694)
Projected flow	(6,619)	(8,085)	(14,696)	(13,113)	(11,257)	(9,826)	(8,720)	(8,015)	(7,417)	(6,874)	(6,363)	(108,097)
Depreciation expenses												
Balance sheet	(16,720)	(13,353)	(26,147)	(25,017)	(20,340)	(15,096)	(9,950)	(8,547)	(7,145)	(6,858)	(5,821)	(72,210)
Projected flow	(17,723)	(14,154)	(27,135)	(25,830)	(21,001)	(15,587)	(10,273)	(8,825)	(7,377)	(7,081)	(6,010)	(74,557)

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 chemotherapeutic procedures.

16. BORROWINGS AND FINANCING

Borrowings and financing are broken down as follows:

Description	Index / Interest	Maturities	Parent		Consolidated	
			06/30/2021	12/31/2020	06/30/2021	12/31/2020
Financing	100% of IPCA + 1.85% p.a. 2.82% p.a. / 6.63% p.a. and 10.69% p.a.	04/15/2030	-	-	76,558	80,268
CCB / working capital	100% of the CDI, 2.43% p.a. and 3.50% p.a.	11/30/2025	342,068	377,787	1,119,561	960,302
Law 4,131(i)	100% of LiborUSD + 2.9% (L)	08/05/2024	-	154,454	118,750	336,620
FINEP and FINAME (ii)	100% of TJLP + 0.5% p.a.	12/15/2031	40,026	21,966	40,026	21,966
			<u>382,094</u>	<u>554,207</u>	<u>1,354,895</u>	<u>1,399,156</u>
Current			142,068	229,613	270,138	241,876
Noncurrent			240,026	324,594	1,084,757	1,157,280

- (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", note 6. Average finance charges correspond to approximately 100% of the CDI rate + 3.20% p.a. as at December 31, 2020, which transaction was settled in advance in March 2021. As at June 30, 2021, corresponds to approximately 100% of the CDI rate + 2.67% p.a. .
- (ii) The Company has a financing contract with FINEP in the total amount of R\$ 93,462, of which R\$ 40,026 have already been disbursed. The balance to be disbursed on June 30, 2021 was R\$ 53,436.

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

Settlement flow	Parent	Consolidated
2021	72,067	103,154
2022	85,385	323,632
2023	64,259	363,202
2024	66,202	338,979
2025	66,202	184,994
2026 and thereafter	27,978	40,934
	<u>382,093</u>	<u>1,354,895</u>

The variations in the balances of borrowings and financing in the periods ended June 30, 2021 and 2020 are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2019	355,440	407,006
Additions	345,350	345,350
Interest incurred	10,689	11,872
Principal repayment	(176,611)	(177,738)
Foreign exchange fluctuation	-	1,732
Payment of finance charges	(8,460)	(10,000)
Balance as at June 30, 2020	<u>526,408</u>	<u>578,222</u>
Balance as at December 31, 2020	554,207	1,399,156
Additions	18,061	146,203
Interest incurred	16,659	43,513
Principal repayment	(188,821)	(189,990)
Foreign exchange fluctuation	152	(72)
Payment of finance charges	(18,164)	(43,915)
Balance as at June 30, 2021	<u>382,094</u>	<u>1,354,895</u>

The Company has credit lines with banks for use in working capital management, acquisition of hospital equipment for Oncoclínicas Group's clinics, construction works in some 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 borrowings and financing that provide for accelerated maturity events and is subject to non-financial covenants in case of:

- Company's or joint debtor's failure to perform, within the expected term and after the cure period, the monetary obligation, principal or accessory, arising from the own agreement or any other financial debt under its responsibility.
- Company's or joint debtor's failure to perform, within the expected term or after the cure period, any non-monetary obligation set forth in the agreement.
- Filing for bankruptcy, dissolution and/or insolvency, not extinguished through escrow deposit or objection within the statutory period.
- Be subject to valid protest of note in an amount higher than the amount authorized, for which payment it is liable, even in the capacity of guarantor, provided that it is not stopped/withdrawn within the cure period.
- Receive final and unappealable decision in a lawsuit or tax proceeding capable of jeopardizing the bonds posted (if any) or compliance with the obligations assumed.

- If the Company and/or its joint debtor, propose an extrajudicial reorganization plan to the debt issuer and/or any other creditors or group of creditors, regardless of request or obtaining of such plan at the courts.
- If the Company and/or its joint debtor files at court a request for court-ordered reorganization, regardless of approval of the reorganization processing or granting by a competent judge.
- Significant change in the financial and economic condition.
- Amendment to the Bylaws that significantly changes the corporate purpose of in case of change of the direct control ("control" has the meaning set forth in Law 6,404/76), except if previously approved by the Bank.
- Spin-off, merger, consolidation, merger of shares or any other form of corporate reorganization, except if: (i) carried out inside the same economic group and exclusively involves direct or indirect subsidiaries; or (ii) previously approved by the Bank.
- In case of any administrative or judicial proceeding related to practices contrary to any Anti-corruption Obligation.
- Non-renewal, cancellation, revocation or suspension of the authorizations, concessions, grants, permits or licenses, after the cure period, necessary for the regular exercise of the activities performed by the Company, which significantly affects the regular exercise of the activities performed by the Company.

The Group is a party to some borrowing and financing agreements containing covenants. The Company is compliant with financial and non-financial covenants. The measurement of financial indicators takes place on an annual basis and, therefore, there is no measurement of financial indicators in interim periods. Additionally, the contractual conditions disclosed in the annual financial statements for the year ended December 31, 2020 remain unchanged.

17. PAYROLL AND RELATED TAXES

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

Description	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Salaries and wages	-	419	4,219	4,180
Social security contribution (INSS)	1,592	1,423	4,788	4,585
Severance pay fund (FGTS)	244	334	597	377
Withholding income tax (IRRF) on payroll	900	1,085	1,228	1,849
Accrued vacation, 13th salary and related taxes	12,499	8,259	40,758	27,864
Accrued profit sharing (a)	5,814	13,350	17,532	24,230
Phantom Shares Program (b)	344,764	140,911	344,764	140,911
Other	9	376	68	661
Total	365,822	166,157	413,954	204,657
Current	21,058	25,246	69,190	63,746
Noncurrent	344,764	140,911	344,764	140,911

- (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"). The Phantom Shares plan refers to an executive compensation program through which the Company grants to participants the right to receive a premium, in case of appreciation of the shares of Oncoclínicas do Brasil Serviços Médicos S.A. between the initial reference date and a qualified liquidity event. The qualified liquidity event is defined as an IPO or the acceptance of a new investor in the capital of Oncoclínicas do Brasil Serviços Médicos S.A., through the acquisition of equity interest that ensures voting right above 50% of the Company's controlling shareholders and that are settled in cash.

The participant must continue to be employed until the liquidity event so as to be entitled to the premium without deductions in the number of Phantom Shares for premium calculation. If the participant is dismissed with cause, he/she will not be entitled to the premium and if he/she resigns or in case of death, the agreement provides for percentage rates to be deducted from the total Phantom Shares obtained by the participant according to the initial reference dates of each tranche.

The premium payable is determined based on the difference between the Company's share price at the right granting date (initial reference value, subject to adjustment based on the IPCA) and the share price on the liquidity event date (final reference value).

For 2018 and 2019, the Group has share price reference arising from corporate transactions between the controlling shareholders and such reference was used in these periods to measure the liability amount recognized to account for Phantom Shares. In these periods, the acceptance of a new investor holding stake above 50% was considered as the most probable liquidity event. As from the last quarter of 2020, the Company started to consider the IPO as the most probable liquidity event and is making price estimates according to the Company's economic and financial valuation based on market parameters, such as multiples transacted at the stock exchange to support the valuation.

Given the characteristics of the share-based compensation program for executive officers/employees, the service condition to be fulfilled before joining such program involves holding vested shares in case of a liquidity event under an IPO scenario

In this context, all individuals involved are vested and entitled to receive premiums referring to the stock price appreciation from the grant date to the liquidity event date. In the context of an IPO, the benefit is vested in the proportion of 1/5 of the total shares on each anniversary of the contract.

Therefore, even if the liquidity event has not occurred yet, Oncoclínicas Group will be required to assume the related obligation as a result of allowing an executive officer/employee to be entitled to receive the premium even before the occurrence of the IPO, subject to the terms and conditions set out in the grant agreement. Accordingly, these obligations should be recognized in Oncoclínicas Group's financial statements on the date the virtual shares are transferred to the executive officers/employees.

The Company considers the obligation recognized in its noncurrent liabilities as it believes that in a possible scenario, where settlement might occur, it will be paid after twelve months counted from the balance sheet date:

	<u>Options (in thousands)</u>
Balance as at December 31, 2019	262,528
Granted during the period	13,000
Forfeited during the period	(3,819)
Balance as at June 30, 2020	271,709
Balance as at December 31, 2020	287,672
Granted during the period	39,028
Forfeited during the period	-
Balance as at June 30, 2021	<u>326,700</u>

The fair value of a share-based payment transaction must be measured based on the stock market prices, if available. If there is no available market value, it must be estimated using market value valuation techniques. The rights on the appreciation of shares is reassessed by Management on an annual basis and provisions are supplemented or reversed according to the price calculated by Management.

	<u>06/30/2021</u>	<u>12/31/2020</u>
Provision	281,328	115,270
Social security contribution (INSS)	57,859	23,629
Severance pay fund (FGTS)	1,634	590
Other	3,943	1,422
	<u>344,764</u>	<u>140,911</u>

In order to measure the share price on a given date, the Company defined a calculation methodology for the share appreciation. Until June 30, 2021, there was no price set in open market for Oncoclínicas Group's shares and the Company adopted the most appropriate methodology for the Company's financial and economic analysis based on the discounted cash flow analysis as a way of obtaining the most precise and adjusted amount assessment.

Based on the price defined under this assessment, a unit value was measured for Oncoclínicas Group's shares and used as a basis to calculate the premium to which the executive officers/employees will be entitled under the share-based compensation program.

	<u>06/30/2021</u>	<u>12/31/2020</u>
Total options granted	326,700	287,672
Option fair value	19.9183	10.9182
Remaining average maturity (in years)	13	13

18. TAXES PAYABLE

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

<u>Description</u>	<u>Parent</u>		<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Withholding income tax (IRRF)	462	639	2,782	3,688
Service tax (ISSQN)	577	947	26,532	25,884
Taxes on revenue (PIS and COFINS)	2,467	2,316	17,845	21,818
Federal withholding taxes	650	1,097	1,724	2,044
Taxes in installments	-	-	5,503	7,007
PERT (i)	1,633	1,633	21,295	21,381
Tax on financial transactions (IOF)	2,827	2,849	4,330	3,577
Other	246	404	4,443	3,149
Total	<u>8,862</u>	<u>9,885</u>	<u>84,454</u>	<u>88,548</u>
Current	8,862	9,885	80,709	84,571
Noncurrent	-	-	3,745	3,977

(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 effects from the PERT were recognized on December 31, 2017, and the adherence date was November 14, 2017. The PERT was registered and segregated between expenses on taxes and fees (principal) and finance 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	
	06/30/2021	12/31/2020
Municipal	39	39
Federal	5,464	6,968
	<u>5,503</u>	<u>7,007</u>

19. PAYABLES FOR ACQUISITIONS

	Parent	
	06/30/2021	12/31/2020
<u>Acquired subsidiaries</u>		
Multihemo Serviços Médicos	144	280
Locus	-	1,958
Centro Paulista de Oncologia	26,045	25,554
Total	<u>26,189</u>	<u>27,792</u>
Current	884	2,238
Noncurrent	25,305	25,554
	Consolidated	
	06/30/2021	12/31/2020
<u>Acquired subsidiaries</u>		
Núcleo de Hematologia e Transplante de Medula Óssea	-	17,957
Pro-Onco Centro de Tratamento Oncológico	10,824	10,347
Aliança	-	8,523
Multihemo	53,281	280
Locus	-	1,958
Instituto Materno Infantil de Minas Gerais	115,339	100,145
Hospital de Oncologia do Méier	27,867	37,513
Laboratório IRA	3,166	3,027
Centro Paulista de Oncologia	26,044	25,554
Centro Paraibano de Oncologia	20,048	-
Núcleo de Oncologia de Sergipe	19,173	-
Hematológica – Clínica de Hematologia	50,039	-
Total	<u>325,781</u>	<u>205,304</u>
Current	88,482	109,629
Noncurrent	237,299	95,675

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.

As mentioned in note 11, during the six-month period ended June 30, 2021, the Group acquired additional equity interest in certain subsidiaries that were previously held by noncontrolling shareholders. The agreements entered into for the purchase of additional interest in subsidiaries Multihemo, CPO – Centro Paraibano, NOS Sergipe, CPO – Centro Paulista and Hematológica contain contingent consideration clauses with valuation of variable installments based on future performance of these subsidiaries. These instruments are measured at fair value both at the transaction date and in each closing period. The fair value of contingent considerations as at June 30, 2021 is R\$45,193.

Variations in payables for acquisitions are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2019	30,756	92,888
Additions	5,319	4,830
Interest incurred	487	1,502
Principal repayment	(11,061)	(18,922)
Payment of finance charges	(87)	(174)
Balance as at 06/30/2020	<u>25,414</u>	<u>80,124</u>
Balance as at 12/31/2020	27,792	205,304
Additions	7,048	292,306
Interest incurred	43	16,347
Principal repayment	(8,649)	(187,755)
Payment of finance charges	(45)	(421)
Balance as at June 30, 2021	<u><u>26,189</u></u>	<u><u>325,781</u></u>

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

<u>Settlement flow</u>	<u>Parent</u>	<u>Consolidated</u>
2021	523	85,889
2022	756	16,803
2023	1,060	37,940
2024	1,437	18,009
2025	1,553	35,930
2026 and thereafter	20,860	131,210
	<u><u>26,189</u></u>	<u><u>325,781</u></u>

20. OTHER LIABILITIES

Description	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Subsidiary's equity deficit (a)	38,697	1,803	-	-
Corporate right (b)	13,906	18,791	19,044	26,513
Redemption of shares (c)	-	-	27,021	66,692
CSSJ partnership (d)	-	-	19,210	24,903
Payables - Fundação Ary (e)	8,527	9,585	8,527	9,585
Royalties payable (f)	-	-	20,097	17,450
Other payables	1,679	2,540	1,752	1,169
Total	<u>62,809</u>	<u>32,719</u>	<u>95,651</u>	<u>146,312</u>
Current	19,380	20,255	35,441	96,640
Noncurrent	43,42	12,464	60,210	49,672

- a. Balance relating to the allowance for investment losses on subsidiaries by the Oncoclínicas, 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 as 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' agreements, whereby Oncoclínicas Group approved the redemption of all preferred shares, with subsequent cancellation of these shares and without decreasing capital, as well as the extinguishment of the class of redeemable preferred shares, by the shareholders in Navarra companies in the amount of R\$16,000, the amount in June 2021 is R\$12,021. For Cruz Participações (Talassa) the total approved is R\$ 25,000 and the position in June 2021 is R\$ 15,000. For Baikal, the approved amount is R\$100,000 and in June 2021 it has already been fully settled. Navarra and Cruz amount is adjusted on a monthly basis by the IPCA as set forth in the agreement. The total balance of Navarra will be settled in 2023 and of Cruz in 2026.
- d. Balance payable relating to the contractual right under the partnership with Casa de Saúde São Jose (CSSJ). Amounts calculated are not subject to adjustment. In 2021, the balance payable was offset against the amount receivable from the partnership in the amount of R\$5,693 of the total of R\$24,903.

- 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 2021 and 2022.

21. PROVISIONS FOR LABOR, TAX 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	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Civil	-	-	14,801	15,691
Tax	619	619	2,498	2,482
Labor	5	33	3,073	1,893
	<u>624</u>	<u>652</u>	<u>20,372</u>	<u>20,066</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.

Specifically in relation to civil provisions, during the six-month period ended June 30, 2021, the Group carried out an assessment of the lawsuits in which the companies are involved and determined an amount of R\$ 14,661 relating to the lawsuits of Instituto Materno Infantil de Minas Gerais (Hospital Vila da Serra) whose triggering event precedes the acquisition of the hospital by Oncoclínicas Group. The total amount of these lawsuits is indemnifiable by the sellers of Hospital Vila da Serra as mentioned in note 4.

Variations in the balance of provisions are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2019	870	2,260
Reversal of provisions	(166)	(556)
Recognitions	40	258
Inflation adjustment, net	7	42
Balance as at June 30, 2020	<u>751</u>	<u>2,004</u>
Balance as at 12/31/2020	652	20,066
Reversal of provisions	(59)	(697)
Recognitions	31	1,003
Balance as at June 30, 2021	<u>624</u>	<u>20,372</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>06/30/2021</u>	<u>12/31/2020</u>
Civil (i)	9,845	3,752
Labor (ii)	4,488	1,827
	<u>14,333</u>	<u>5,579</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.

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 June 30, 2021 and December 31, 2020, escrow deposits are broken down as follows:

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Labor	34	34	2,184	2,030
Civil	-	-	538	-
Tax	7,655	7,655	8,390	8,956
	<u>7,689</u>	<u>7,689</u>	<u>11,112</u>	<u>10,986</u>

The Company made escrow deposits in the amount of R\$11,112, 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\$5,657 and (ii) several escrow deposits related to labor claims in progress.

22. EQUITY

(a) Capital

As at June 30, 2021, the Company's capital is R\$425,656, fully paid in (R\$425,656 as at December 31, 2020, partially paid in), represented by 4,050,582 common shares as at June 30, 2021 and 4,050,582 common shares as at December 31, 2020.

As at June 30, 2021, paid-in capital amounts to R\$425,656 (R\$416,066 as at December 31, 2020).

On May 26, 2021, the Company's shareholders, gathered at the Extraordinary Shareholders' Meeting, decided to approve the split of the common shares representing the Company's capital at a rate of 1:100, so that each common share of the Company now corresponds to 100 common shares of the Company.

Upon the amendment, the corporate table below is presented with the new number of shares.

As at June 30, 2021, the shareholding structure is as follows:

Shareholder	Voting capital	Common shares	Shares after the split
Josephina II Fundo de Investimento em Participações	72.55%	2,938,877	293,887,700
Josephina Fundo de Investimento em Participações	21.02%	851,353	85,135,300
Bruno Lemos Ferrari	3.64%	147,646	14,764,600
Other noncontrolling shareholders	2.79%	112,706	11,270,600
	<u>100%</u>	<u>4,050,582</u>	<u>405,058,200</u>

In the first half of 2021, the amount of R\$9,590, which was subscribed by shareholders, was paid in.

(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 reserve for risks, pursuant to art. 195 of Law 6,404/76.

Also, the Company will 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, Oncoclínicas do Brasil S.A recognized accumulated losses and, therefore, did not distribute dividends to its shareholders.

As at June 30, 2021, the Company recognizes a total amount of R\$17,487 as accrued dividends payable to noncontrolling shareholders (R\$18,526 as at December 31, 2020).

During the six-month period ended June 30, 2021, dividends to non-controlling shareholders in the amount of R\$5,216 were declared by certain subsidiaries of the Group.

(c) Transactions between shareholders

(i) Increase and decrease of equity interests

In 2020

In April 2020, the 50% equity interest in Centro de Excelência de Radioterapia Rio de Janeiro was disposed of, according to a purchase and sale agreement with Unimed Rio Participações, which generated a equity decrease of R\$161.

The transaction mentioned above relating to the purchase and sale of shares between shareholders and Oncoclínicas Group in subsidiary Excelência de Radioterapia Rio de Janeiro resulted in an increase in noncontrolling interest of R\$5,826.

In 2021

As mentioned in note 11, during the six-month period ended June 30, 2021, the Group acquired additional equity interests in certain subsidiaries that were previously held by noncontrolling shareholders for R\$285,340. These transactions had an impact on equity in the amount of R\$248,862 due to the difference between the consideration transferred and the carrying amount of the noncontrolling interest acquired, in the amount of R\$36,528.

Additionally, during the six-month period ended June 30, 2021, the Company recognized the contingent consideration, based on future variable installments, arising from the acquisition of additional interest in subsidiary Centro Paulista de Oncologia. The effects arising from this matter, in the amount of R\$7,357, were recognized directly in equity under “transactions between shareholders”.

(ii) Other transactions

In 2020

In the six-month period ended June 30, 2020, transactions were carried out between Oncoclínicas Group companies, which are indirectly controlled by the Company, resulting in an effect in the amount of R\$7,130 on the Company’s equity attributable to controlling shareholders, and an effect in the amount of R\$ 2,407 on equity attributable to non-controlling shareholders.

In addition, the general shareholders' meetings of the Company's subsidiaries approved matters related to capital increases and decreases, resulting in capital decreases that corresponded to changes in equity of R\$177,064, as shown below:

- i) Capital increases in the following companies: i) Baikal, in the amount of R\$100,000, with contribution of the customer portfolio by shareholder Central da Unimed CNU; (ii) Angara, in the amount of R\$19,200, with contribution of the customer portfolio by shareholder Central da Unimed CNU; (iii) Yukon, in the amount of R\$30,800, with contribution of the customer portfolio by shareholder Central da Unimed CNU. and (iv) Oncobio, in the amount of R\$ 28,983 with contribution by shareholder Bioncologia.
- ii) Capital decrease in Hematológica in the amount R\$1,679 and Radiogroup of R\$ 240.

In 2021

In the six-month period ended June 30, 2021, transactions were carried out between Oncoclínicas Group companies, which resulted in an effect in the amount of R\$3,691 on equity attributable to controlling shareholders and an effect in the amount of R\$ 2,142 on equity attributable to noncontrolling shareholders.

Additionally, the general meeting approved matters related to capital increases and decreases, resulting in changes in the equity of noncontrolling shareholders in the amount of R\$ 24,591, as shown below:

- i) Capital decrease in Radiogroup in the amount of R\$400.
- ii) Capital increase through the contribution of the customer portfolio approved in the Investment Agreement and Other Covenants between the Company and Unimed Grande Florianópolis – Cooperativa de Trabalho Médico (“UGF”), with UGF contribution comprising intangible asset valued at R\$49,991 being R\$24,991 allocated to capital.

23. REVENUES

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

Description	Parent			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Gross revenue:				
Healthcare services	93,563	90,008	47,747	45,696
Taxes on sales and other deductions:				
PIS on sales	(603)	(581)	(306)	(295)
COFINS on sales	(2,782)	(2,683)	(1,411)	(1,364)
ISS on sales	(2,760)	(2,700)	(1,425)	(1,371)
Allowance for expected credit losses and disallowances	7,683	(3,207)	(440)	(1,800)
	<u>1,538</u>	<u>(9,171)</u>	<u>(3,582)</u>	<u>(4,830)</u>
Net revenue	<u>95,101</u>	<u>80,837</u>	<u>44,165</u>	<u>40,866</u>

Description	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Gross revenue:				
Healthcare services	1,359,475	1,031,207	702,167	523,882
Taxes on sales and other deductions:				
PIS on sales	(8,359)	(6,569)	(4,314)	(3,280)
COFINS on sales	(38,605)	(30,312)	(19,926)	(15,131)
ISS on sales	(34,396)	(27,766)	(18,048)	(14,067)
Allowance for expected credit losses and disallowances	(23,348)	(30,546)	(19,664)	(8,749)
	<u>(104,708)</u>	<u>(95,193)</u>	<u>(61,952)</u>	<u>(41,227)</u>
Net revenue	<u>1,254,767</u>	<u>936,014</u>	<u>640,215</u>	<u>482,655</u>

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 six-month period ended June 30, 2021, only one customer concentrated a share of more than 10% of net revenue and all other customers, if analyzed individually, accounted for volumes of less than 10% of the Company's total net revenue. In addition, the two customers with the highest concentration of sales have a share of less than 29% in the Company's total net revenue.

24. COST AND EXPENSES BY NATURE

	Parent			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Healthcare costs and medicines	(56,865)	(58,212)	(28,872)	(29,103)
Personnel, charges and bonus	(254,489)	(49,950)	(220,165)	(28,306)
Expenses on outside services	(31,740)	(20,316)	(17,192)	(9,490)
General and administrative expenses	(2,630)	(3,234)	(945)	(732)
Depreciation and amortization	(12,622)	(8,100)	(6,708)	(3,899)
Communication expenses	(1,625)	(3,859)	(868)	(2,070)
CSO - Apportionment of expenses (i)	81,921	45,618	47,317	22,877
Provisions for tax, labor and civil risks	29	119	55	119
Other income (expenses), net	(4,836)	(10,030)	(1,378)	(9,429)
	<u>(282,857)</u>	<u>(107,964)</u>	<u>(228,756)</u>	<u>(60,033)</u>
Cost of services	(60,130)	(58,212)	(30,525)	(29,104)
Administrative expenses	(223,125)	(52,089)	(198,845)	(31,704)
Other operating income (expenses)	398	2,337	614	775
Total	<u>(282,857)</u>	<u>(107,964)</u>	<u>(228,756)</u>	<u>(60,033)</u>

	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Healthcare costs and medicines	(808,023)	(656,963)	(433,596)	(330,853)
Personnel, charges and bonus	(353,875)	(106,907)	(257,714)	(55,470)
Expenses on outside services	(71,880)	(40,880)	(39,136)	(20,533)
General and administrative expenses	(28,769)	(21,341)	(12,782)	(9,725)
Depreciation and amortization	(63,885)	(46,979)	(36,014)	(23,765)

	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Communication expenses	(3,662)	(6,000)	(2,185)	(3,490)
Provisions for tax, labor and civil risks	(306)	256	309	17
Other income (expenses), net	(16,632)	(26,102)	(6,755)	(13,333)
	<u>(1,347,031)</u>	<u>(904,914)</u>	<u>(787,872)</u>	<u>(457,152)</u>
Cost of services	(870,488)	(656,972)	(450,706)	(330,860)
Administrative expenses	(475,109)	(242,454)	(335,529)	(126,781)
Other operating income (expenses)	(1,434)	(5,488)	(1,637)	489
Total	<u>(1,347,031)</u>	<u>(904,914)</u>	<u>(787,872)</u>	<u>(457,152)</u>

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

25. FINANCE INCOME (COSTS)

	Parent			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Finance income:				
Income from short-term investments	1,184	2,872	692	804
Discounts obtained	12	62	2	60
Interest receivable on intragroup loans	2,092	5,968	1,773	4,384
Derivative liabilities (swap)	3,828	-	-	-
Exchange gains	561	-	561	-
Other finance income	5,010	-	2,333	-
	<u>12,687</u>	<u>8,902</u>	<u>5,361</u>	<u>5,248</u>

	Parent			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Finance costs:				
Interest expense on borrowings	(16,659)	(10,689)	(6,974)	(5,842)
Interest expense on debentures	-	(8,388)	-	(3,738)
Tax on financial transactions (IOF)	(1,641)	(196)	(1,536)	(79)
Interest expense on acquisitions	(43)	(487)	(1)	(199)
Bank fees	(85)	(125)	(33)	(92)
Exchange losses	(193)	-	(193)	-
Discounts granted	(4)	(87)	(2)	(5)
Interest payable on intragroup borrowings	(4,384)	(160)	(3,830)	(78)
Interest on lease liabilities	(1,090)	(832)	(535)	(757)
Other finance costs	(4,907)	(1,781)	(3,474)	(718)
	<u>(29,006)</u>	<u>(22,745)</u>	<u>(16,578)</u>	<u>(11,508)</u>
Finance income (costs)	<u>(16,319)</u>	<u>(13,843)</u>	<u>(11,217)</u>	<u>(6,260)</u>

	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Finance income:				
Income from short-term investments	8,061	6,333	4,727	2,980
Discounts obtained	348	268	166	110
Interest receivable on intragroup loans	1,326	440	1,326	36
Derivative liabilities (swap)	3,828	-	-	-
Exchange gains	1,151	94	983	-
Other finance income	3,525	203	1,228	171
	<u>18,239</u>	<u>7,338</u>	<u>8,430</u>	<u>3,297</u>

	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Finance costs:				
Interest expense on borrowings	(43,513)	(11,872)	(23,517)	(6,051)
Interest expense on debentures	-	(8,388)	-	(3,738)
Tax on financial transactions (IOF)	(2,199)	(3,140)	(1,721)	(1,645)
Interest expense on acquisitions	(16,347)	(1,503)	(7,352)	(457)
Exchange losses	(900)	(1,732)	(900)	(1,732)
Bank fees	(301)	(354)	(149)	(210)
Discounts granted	(1,462)	(2,464)	(1,364)	(687)
Derivative liabilities (swap)	(425)	-	(425)	-
Interest on lease liabilities	(6,244)	(4,579)	(3,324)	(2,908)
Other finance costs	(10,631)	(2,929)	(5,811)	(1,001)
	<u>(82,022)</u>	<u>(36,961)</u>	<u>(44,563)</u>	<u>(18,429)</u>
Finance income (costs)	<u>(63,783)</u>	<u>(29,623)</u>	<u>(36,133)</u>	<u>(15,132)</u>

26. 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. No dilution factors for common shares were identified, therefore, the amount of basic earnings (loss) per share will be equal to the amount of diluted earnings (loss) per share.

In compliance with CPC 41 (IAS 33) - Earnings per share Share and as presented in note 34 on May 26, 2021, at an Extraordinary General Meeting the Company decided on the split of the shares at the ratio of 1:100. As the event precedes the date of issuance of the financial statements, the Company retrospectively applied the change to the calculation of basic and diluted earnings per share for all periods presented.

	<u>06/30/2021</u>	<u>06/30/2020</u>
Loss for the period before income tax and social contribution	(207,369)	(31,074)
Weighted average number of common shares issued (in thousands)	401,724,500	400,690,800
Basic and diluted loss per share – in Brazilian reais (R\$)	<u>(0.5162)</u>	<u>(0.0776)</u>

27. 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:

	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Companies electing for the deemed income (a)	6,371	3,502	3,230	1,840
Companies electing for the taxable income (b)	<u>33,517</u>	<u>22,018</u>	<u>15,508</u>	<u>12,182</u>
	<u><u>39,888</u></u>	<u><u>25,520</u></u>	<u><u>18,738</u></u>	<u><u>14,022</u></u>

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

	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2021
Revenues				
Services	206,664	113,384	104,715	59,592
Research services	<u>33</u>	<u>-</u>	<u>33</u>	<u>-</u>
Total	206,697	113,384	104,748	59,592
Deemed income tax - 8%	16,533	9,071	8,377	4,767
Deemed income tax - 32%	11	-	11	-
Deemed social contribution - 12%	24,800	13,606	12,566	7,151
Deemed social contribution - 32%	11	-	11	-
Other revenues	644	275	485	160
Income tax	2,578	1,402	1,331	739
Social contribution	2,291	1,249	1,176	658
Surtax (10% on excess amount)	<u>1,502</u>	<u>851</u>	<u>724</u>	<u>443</u>
Income tax and social contribution expenses	<u><u>6,371</u></u>	<u><u>3,502</u></u>	<u><u>3,231</u></u>	<u><u>1,840</u></u>

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

	Parent			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Profit (loss) before income tax and social contribution	(207,369)	(31,356)	(204,840)	(9,131)
Statutory tax rate	34%	34%	34%	34%
Statutory income (expense)	<u>70,605</u>	<u>10,661</u>	<u>69,649</u>	<u>3,105</u>
Adjustments to statutory expense (income)				
Share of profit (loss) of subsidiaries	(1,120)	3,269	(3,071)	5,541
Other permanent differences, net	899	(15)	366	(5)
Effect of taxation of subsidiaries under the deemed income regime	-	-	-	-
Unrecognized tax credits	<u>(70,285)</u>	<u>(13,633)</u>	<u>(66,988)</u>	<u>(8,837)</u>
Effective income (expense)	<u>-</u>	<u>282</u>	<u>(48)</u>	<u>(196)</u>
Effective tax rate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current	-	-	-	-
Deferred	-	282	(48)	(196)
	Consolidated			
	01/01/2021 to 06/30/2021	01/01/2020 to 06/30/2020	04/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020
Profit (loss) before income tax and social contribution	(156,047)	1,477	(183,790)	10,371
Statutory tax rate	34%	34%	34%	34%
Statutory income (expense)	<u>53,056</u>	<u>(502)</u>	<u>62,489</u>	<u>(3,526)</u>
Adjustments to statutory expense (income)				
Share of profit (loss) of subsidiaries	-	-	-	-
Other permanent differences, net	708	277	708	557
Effect of taxation of subsidiaries under the deemed income regime	(2,544)	(985)	(194)	(1,435)
Unrecognized tax credits	<u>(91,108)</u>	<u>(24,310)</u>	<u>(81,741)</u>	<u>(9,618)</u>
Effective income (expense)	<u>(39,888)</u>	<u>(25,520)</u>	<u>(18,738)</u>	<u>(14,022)</u>
Effective tax rate	<u>-</u>	<u>101.24%</u>	<u>-</u>	<u>63.65%</u>
Current	(43,140)	(34,369)	(17,560)	(17,120)
Deferred	3,252	8,849	(1,178)	3,098

(c) Deferred income tax assets – consolidated

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

	<u>06/30/2021</u>	<u>12/31/2020</u>
Tax benefit - goodwill arising from the downstream merger (i)	11,417	7,464
Allowance for expected credit losses and disallowance	15,739	10,244
Accrued profit sharing	3,047	2,563
Accrued trade payables and provision for risks	564	945
Accrued bonus	6,929	7,673
Leases	2,964	2,526
	<u>40,660</u>	<u>31,415</u>

- (i) Income tax and social contribution
– Downstream merger - Onco Salvador

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 fair value of assets acquired and liabilities assumed and the amount paid for the acquisition of shares by NOB and Multihemo, was transferred to NOB and Multihemo. Accordingly, the companies were eligible to the tax deductibility of goodwill amortization. In subsidiaries NOB and Multihemo, 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'.

Oncohematologia and Idengene spin-off

In May 2021, with the corporate restructuring carried out by the Group mentioned in note 1, Oncohematology spun-off to Idengene the net assets equivalent to the equity interest held in Idengene Medicina Diagnóstica S.A. The amount of R\$5,039 was recorded at Idengene and recognized in assets as deferred income and social contribution taxes, with a corresponding entry to equity in the special goodwill reserve account, benefiting from the tax deductibility of goodwill amortization.

- (ii) Temporary additions/deductions and tax loss carryforwards

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 in the financial statements 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. The realization of the nature of deferred tax on tax losses is subject to the offsetting of the balances, pursuant to the tax legislation in force.

As at June 30, 2020, the Company recorded a balance of R\$91,108 (R\$24,310 as at December 31, 2020) referring to unrecognized tax credits, due to the lack of expected offset in the foreseeable future.

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

<u>Expected realization</u>	<u>Parent</u>		<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
2021	639	639	13,619	23,702
2022	-	-	15,989	2,172
2023	-	-	2,220	4,593
2024 and thereafter	-	-	8,832	948
	<u>639</u>	<u>639</u>	<u>40,660</u>	<u>31,415</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.

28. FINANCIAL INSTRUMENTS

(a) Financial risk factors

Oncoclínicas Group is exposed to the following financial risks: credit risk, liquidity risk and market risk. Oncoclínicas 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, and receivables for the disposal of equity interests.

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	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020
Cash and cash equivalents	5	47,890	82,553	358,808	740,788
Securities and financial assets	6	487	46,556	34,818	79,001
Derivatives asset - swap	6	-	2,549	-	2,549
Trade receivables	7	35,389	25,004	556,890	481,264
Escrow deposits	21	7,689	7,689	11,112	10,986
Disposal of equity interests	10	18,576	13,405	20,281	15,216
Related parties	29	86,579	63,183	27,892	18,630
Total		<u>196,610</u>	<u>240,939</u>	<u>1,009,801</u>	<u>1,348,434</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	
		06/30/2021	12/31/2020
Trade receivables	7	637,273	550,384
Allowance for expected losses	7	<u>(80,383)</u>	<u>(69,120)</u>
		<u>556,890</u>	<u>481,264</u>
% of the allowance on the balance of trade receivables		<u>12.61%</u>	<u>12.56%</u>

As at June 30, 2021 and December 31, 2020, 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.

Receivables for the disposal of equity interests

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 June 2021	Total future flow	Parent					
				Future payment flow					
				2021	2022	2023	2024	2025	2026 and thereafter
Trade payables	15	27,441	27,441	27,441	-	-	-	-	-
Borrowings and financing	16	382,093	445,490	84,589	106,113	77,437	74,816	70,385	32,150
Payables for acquisitions	19	26,189	26,190	525	756	1,060	1,437	1,553	20,859
Fundação Ary partnership	20	8,527	9,881	2,151	4,084	1,927	1,117	602	-
Exclusivity right	20	13,906	13,906	10,192	3,349	365	-	-	-
Related parties	29	270,491	310,090	-	-	310,090	-	-	-
Total		728,647	832,998	124,898	114,302	390,879	77,370	72,540	53,009
	Note	Accounting position in June 2021	Total future flow	Consolidated					
				Future payment flow					
				2021	2022	2023	2024	2025	2026 and thereafter
Trade payables	15	308,386	308,386	308,386	-	-	-	-	-
Borrowings and financing	16	1,354,895	1,632,697	150,215	427,936	427,133	378,382	201,382	47,649
Payables for acquisitions	19	325,781	456,979	111,787	17,639	105,938	20,095	70,310	131,210
Redemption of shares	20	27,021	33,677	6,358	10,596	5,609	4,057	3,705	3,352
CSSI partnership	20	19,210	23,293	3,709	7,825	11,759	-	-	-
Fundação Ary partnership	20	8,527	9,881	2,151	4,084	1,927	1,117	602	-
Partnership - Hospital Felício Rocho	20	20,097	30,754	10,889	19,865	-	-	-	-
Exclusivity right	20	19,044	19,044	15,330	3,349	365	-	-	-
Total		2,082,961	2,057,732	608,825	491,294	552,731	403,651	275,999	182,211

(iii) Market risk

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

The sensitivity analysis for interest on borrowings and financing used as probable scenario (Scenario I) the benchmark rates obtained at the Central Bank of Brazil's website (<https://www.bcb.gov.br>) as at June 30, 2021, 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.)	1.26%	1.58%	1.89%
IGPM rate (p.a.)	15.08%	18.85%	22.62%
IPCA rate (p.a.)	3.77%	4.71%	5.65%
Interest expenses (Parent)	16,659	20,824	24,989
Interest expenses (Consolidated)	43,513	54,391	65,270

The Company believes that the 25% and 50% variation, besides reflecting best market practices, also represents the reality presented in relation to the historical variation of the respective indicators in the period analyzed.

The DI increased by 118% in the first half of 2021; when analyzing the full year the increase was 93%. Even with this growth, the amounts are still within the safety margin assumed by the Company for the budget for the year. However, if these indicators continue to increase significantly, this will represent a risk for the Company.

Considering these factors, the stress of 25% and 50% is appropriate for the Company's 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 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

In order to reduce its borrowings costs, the Company contracted borrowings in foreign currency. As a strategy to manage the foreign exchange rate risk, Oncoclínicas Group simultaneously and necessarily 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. Swap transactions are carried out solely for hedge purposes.

In April 2020, Oncoclínicas contracted a borrowings in the amount of US\$30,000, with principal maturity in April 2021. Simultaneously, a swap transaction was contracted to eliminate the foreign currency exposure risk, exchanging the Libor USD plus spread for the CDI fluctuation. The Company decided to settle the borrowing in advance in March 2021.

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. and concurrently contracted a swap transaction to eliminate the foreign currency 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 - 2021
	Maturity range	Domestic notional value	
Swap:	09/19/2022		
Long position	100% LIBORUSD + 2.20%	R\$139.969	-
Short position	100% CDI-CETIP + 2.67%	R\$121.699	17,437
Description	Parent and consolidated		Fair value - 2020
	Maturity range	Domestic notional value	
Swap:	04/19/2021		
Long position	100% LIBORUSD + 2.49%	R\$157,003	-
Short position	100% CDI-CETIP + 3.20%	R\$154,454	2,549

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 foreign exchange risk and may significantly affect the Company's financial statements must be subject to measures to hedge and mitigate such impact by Management.

(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 June 30, 2021 and December 31, 2020, the financial leverage ratios are summarized as follows:

	Consolidated	
	06/30/2021	12/31/2020
Total borrowings and financing (note 16)	1,354,895	1,399,156
Derivative financial instruments (note 6)	17,437	(2,549)
Less: cash and cash equivalents and securities	<u>(393,626)</u>	<u>(819,789)</u>
Net debt	978,706	576,818
Total equity	221,166	677,306
Total capital (equity + net debt)	<u>1,199,872</u>	<u>1,254,124</u>
Financial leverage ratio - %	82%	46%

(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, except for related-party balances (whose respective nature and conditions are disclosed in note 29), as well as the balances of borrowings and financing, 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 (Level 3), which measurement is based on present value of discounted cash flows. As disclosed in note 19.

(d) Financial instruments by category

		Parent			
		Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments	Measurement	June 30, 2021	June 30, 2020	December 31, 2020	December 31, 2020
Cash and cash equivalents	Amortized cost	47,890	(*)	82,553	(*)
Securities and financial assets	Amortized cost	487	(*)	46,556	(*)
Derivatives assets – swap	Fair value - (Level 2)	-	-	2,549	2,549
Trade receivables (note 7)	Amortized cost	35,389	(*)	25,004	(*)
Escrow deposit	Amortized cost	7,689	(*)	7,689	(*)
Disposal of equity interest (note 10)	Amortized cost	18,576	(*)	13,405	(*)
Related party	Amortized cost	86,579	(*)	63,183	(*)
		<u>196,610</u>		<u>240,939</u>	
Financial liabilities					
Trade payables	Amortized cost	27,441	(*)	46,594	(*)
Borrowings and financing	Amortized cost	382,093	426,114	554,207	555,616
Payables - Fundação Ary	Amortized cost	8,527	(*)	9,585	(*)
Payables for acquisition	Fair value - (Level 3)	6,915	6,915	-	-
Payables for acquisition	Amortized cost	19,274	(*)	27,792	(*)
Exclusivity right	Amortized cost	13,906	(*)	18,791	(*)
Related parties	Amortized cost	270,491	(*)	59,091	(*)
		<u>728,647</u>		<u>716,060</u>	
		Consolidated			
		Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments	Measurement	June 30, 2021	June 30, 2020	December 31, 2020	December 31, 2020
Cash and cash equivalents	Amortized cost	358,808	(*)	740,788	(*)
Securities and financial assets	Amortized cost	34,818	(*)	79,001	(*)
Derivatives assets – swap	Fair value - (Level 2)	-	-	2,549	2,549
Trade receivables (note 7)	Amortized cost	556,890	(*)	481,264	(*)
Escrow deposit	Amortized cost	11,112	(*)	10,986	(*)
Disposal of equity interest (note 10)	Amortized cost	20,281	(*)	15,216	(*)
Related parties	Amortized cost	27,892	(*)	18,630	(*)
		<u>1,009,801</u>		<u>1,348,434</u>	
Financial liabilities					
Trade payables	Amortized cost	308,386	(*)	345,686	(*)
Borrowings and financing	Amortized cost	1,372,332	1,478,552	1,399,156	1,411,689
Derivatives liabilities – swap	Fair value - (Level 2)	17,437	17,437	-	-
Payables - Fundação Ary	Amortized cost	8,527	(*)	9,585	(*)
CSSJ partnership	Amortized cost	19,210	(*)	24,903	(*)
Partnership - Hospital Felício Rocho	Amortized cost	20,097	(*)	17,450	(*)
Redemption of shares	Amortized cost	27,021	(*)	66,692	(*)
Payables for acquisition	Fair value - (Level 3)	45,193	45,193	-	-
Payables for acquisition	Amortized cost	280,588	(*)	205,304	(*)
Exclusivity right	Amortized cost	19,044	(*)	26,513	(*)
Related parties	Amortized cost	-	-	6,411	(*)
		<u>2,100,398</u>		<u>2,101,700</u>	

(*) Except for the related-party balances, whose nature and conditions are disclosed in note^o29, 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.

29. 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 in subsidiaries, as shown below:

- i) Transfer of funds between Group companies (intragroup loans): Management transfers funds between Group companies. Balances are partially eliminated in consolidation. These balances are mostly adjusted based on IPCA and CDI variation. The remaining balance in consolidated refers to noncontrolling shareholders and has an average maturity of two years.
- ii) Apportionment: refer mainly to centralized shared services provided by the Parent, such as financial services (receivables and payables), accounting, legal, treasury, supplies, etc., which costs and expenses are shared among the other Oncoclínicas Group entities based on objective criteria that take into account the contribution (demands) of each entity for Oncoclínicas Group's operations. Payments are made on a monthly basis and are not adjusted. These balances are mainly eliminated in the consolidated interim financial information.
- 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 fully eliminated in the consolidated interim financial information.

29.1. Related parties (assets)

Assets	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<u>Intragroup borrowings (i)</u>				
Related parties:				
Centro Paulista de Oncologia	-	-	973	974
Navarra (i.a)	13,468	13,259	-	-
Oncoclínicas Canoas C. de Oncologia.	207	101	-	-
CECON	-	-	166	83
Radioterapia				
Oncoclínicas Recife (i.b)	7,699	7,451	-	-
Núcleo de Hematologia e Transplante	-	-	111	111
Pontus	620	-	620	-
Fundação Ary	-	-	-	-
Noncontrolling shareholders (i.c)	26,022	17,462	26,022	17,462
Total intragroup loans (a)	<u>48,016</u>	<u>38,273</u>	<u>27,892</u>	<u>18,630</u>

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<u>Apportionments (ii)</u>				
Nature:				
Shared Service Center	25,086	11,859	-	-
Project – units construction	4,901	4,474	-	-
Other	4,469	4,470	-	-
Total apportionment (b)	34,456	20,803	-	-
<u>Special Tax Regularization Program (PERT) (iii)</u>	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
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)	86,579	63,183	27,892	18,630

- i.a. Refers to intragroup loans with Navarra RJ Serviços Oncológicos S.A. (“Leste Fluminense”), which are monthly adjusted by the CDI. The intragroup loan agreements have a two-year term and can be settled before maturity.
- i.b. 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.c. 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 as disclosed in note 33.

29.2. Dividends receivable

	Parent	
	06/30/2021	12/31/2020
<u>Dividends receivable</u>		
Related parties:		
Centro Mineiro de Infusões	1,598	1,598
Centro Exc.ª. Radioterapia Rio de Janeiro	-	184
Navarra	553	553
Instituto Oncológico de Ribeirão Preto	-	12
	2,151	2,347

29.3. Advance for future capital increase (assets)

	Parent	
	06/30/2021	12/31/2020
<u>Advance for future capital increase</u>		
Related parties:		
Oncopar	-	12,019
Centro Mineiro de Infusões	17,212	17,508
Oncologia Participações	36	-
Oncohematologia	36,925	28,286
Radioterapia Oncoclínicas São Paulo	1,584	1,584
Oncobio Serviços de Saúde	10,268	7,707
Centro Exc.ª. Radioterapia Rio de Janeiro	3	3
Oncoclínicas Participações São Paulo	-	2,787
Idengene	1,637	1,251
Radioterapia Oncoclínicas Recife	272	253
Central de Gestão e Saúde Ltda	1,948	1,948
Oncoclínicas Rio de Janeiro S.A.	-	29,232
Pontus Participações	10,253	259
Locus	1,500	3,900
Oncologia Participações RJ ES	44,541	15,309
Navarra	5,010	10
Total	<u>131,189</u>	<u>122,056</u>

29.4. Related parties (liabilities)

Liabilities	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<u>Intragroup borrowings</u>				
Other:				
Borrowing payable CPO (i.d)	157,986	4,095	-	-
Borrowing payable CTO RJ (i.e)	109,730	44,703	-	-
Capital decrease	-	6,684	-	6,411
Apportionments payable	2,775	3,609	-	-
Total (B)	<u>270,491</u>	<u>59,091</u>	<u>-</u>	<u>6,411</u>
Total (A) + (B)	<u>270,491</u>	<u>59,091</u>	<u>-</u>	<u>6,411</u>
Current	-	-	-	-
Noncurrent	270,491	59,091	-	6,411

i.d. Refer to intragroup loan transactions with Centro de Tratamento Oncológico S.A. ("CPO"), which are monthly adjusted by the fluctuation of average daily DI rates + 1% p.a. The intragroup borrowing agreements have a five -year term and can be settled before maturity.

i.e. Refer to intragroup loan transactions with Centro de Tratamento Oncológico S.A. ("CTO RJ"), which are monthly adjusted by the CDI rate + 4%p.a. The intragroup loan agreements have a three-year term and can be settled before maturity.

Also, the Group has entered into service agreements with companies owned by some of its directors in the amount of R\$4,306 in the first six months of 2021 (R\$ 5,108 in the first six months of 2020), 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.

29.5. Dividends payable

	Consolidated	
	06/30/2021	12/31/2020
<u>Dividends payable</u>		
Multihemo	2,551	2,551
Núcleo de Oncologia da Bahia S.A.	495	495
Onco Vida	-	407
NOS	844	844
Centro Paulista de Oncologia	-	184
Navarra	11,398	12,396
Angará	1,098	1,098
Yukon	373	373
Instituto Oncológico de Ribeirão Preto	141	141
Centro Exc. ^a . Radioterapia Rio de Janeiro	-	37
COT	587	-
Total	<u>17,487</u>	<u>18,526</u>

29.6. Advance for future capital increase (liabilities)

	Consolidated	
	06/30/2021	12/31/2020
<u>Advance for future capital increase</u>		
Subsidiaries:		
Oncobio	6,775	5,074
Oncovida	2,492	3,289
Other	113	113
Total	<u>9,380</u>	<u>8,476</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 six-month period ended June 30, 2021, Management compensation amounted to R\$15,957 (R\$12,162 in June 2020) 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\$182,227 (R\$4,881 as at June 30, 2020). 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.

30. 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.

Insurance line	Coverage	Validity date
Civil liability	R\$1,000	12/14/2021
D&O administrative liability	R\$100,000	04/29/2022
E&O professional liability	R\$30,000	12/18/2021
Property	R\$35,500	12/31/2021

31. 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 5.

b) Non-cash transactions

	Note	Parent		Consolidated	
		06/30/2021	06/30/2020	06/30/2021	06/30/2020
Trade receivables					
Variation in trade receivables		10,385	554	75,626	51,609
Recognition (reversal) of allowance for expected credit losses and disallowances	23	(7,683)	3,207	23,348	30,546
<u>Non-cash effect</u>					
Receivables acquired through business combination		-	-	-	(823)
Offset of trade receivables - CSSJ partnership		-	-	5,693	-
Total effects on the statement of cash flows		2,702	3,761	104,667	81,332
Dividends received					
Variation in dividends receivable		196	-	-	-
<u>Non-cash effect</u>					
Transfer of dividends receivable out of the investment account		19,106	-	-	-
Total effects on the statement of cash flows		19,302	-	-	-
Property and equipment and intangible assets					
Variation in property and equipment		(1,770)	2,834	(9,143)	23,063
Variation in intangible assets		(6,090)	13,339	48,750	326,845
Total variation in property and equipment and intangible assets		(7,860)	16,173	39,607	349,908
Depreciation of property and equipment	12	4,365	3,156	27,735	17,401
Amortization of intangible assets	13	5,923	2,142	19,430	16,034
Write-off of property and equipment and intangible assets	12	145	-	104	72
<u>Non-cash effect</u>					
Intangible assets and exclusivity right payable		-	(7,019)	-	(7,925)
Transfer of asset (software) corporate restructuring	11 and 13	15,905	-	-	-
Goodwill exchange fluctuation - Translation into reporting currency		-	-	2,256	(14,700)
Reclassification of imports in transit balance (property and equipment) to inventories	12	-	-	2,466	-
Payment of capital of the customer portfolio	22.c)	-	-	(49,991)	(250,000)
Property and equipment acquired through business combination		-	-	-	(1,507)
Total effects on the statement of cash flows		18,478	14,452	41,607	109,282

	Parent		Consolidated		
	Note	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Statement of cash flows					
Acquisition of property and equipment	12	2,740	5,990	21,162	39,029
Acquisition of intangible assets	13	15,737	8,462	20,445	75,352
Total acquisitions of property and equipment and intangible assets		18,478	14,452	41,607	114,381
Tax liabilities					
Variation in the balance of taxes payable		(1,023)	1,086	(2,063)	8,889
Taxes paid		-	-	3,007	2,173
<u>Non-cash effect</u>					
Tax acquired through business combination		-	-	-	(55)
Offset of credits		-	-	4,450	10,396
Total effects on the statement of cash flows		(1,023)	1,086	5,394	21,403
Advance for future capital increase– ASSET					
Variation advance for future capital increase - asset		9,133	(16,345)	-	1,200
<u>Non-cash effect</u>					
Transfer of advance for future capital increase to capital increase in the investment	11	43,614	66,258	-	-
Other	11	5,400	-	-	(1,200)
Total with cash effect of the advance for future capital increase		58,147	50,183	-	-
Advance for future capital increase– LIABILITIES					
Variation in advance for future capital increase - liabilities		-	-	904	(28,533)
<u>Non-cash effect</u>					
Transfer of advance for future capital increase to capital increase made by noncontrolling shareholders in equity		-	-	-	28,983
Total with cash effect of the advance for future capital increase		-	-	904	450

32. EVENTS AFTER THE REPORTING PERIOD

The following events occurred after the reporting period, June 30, 2021:

- a) (i) On July 7, 2021, the Company's shareholders, gathered at the General Extraordinary Shareholders' Meeting, decided to approve, among other matters: (i) the increase in the Company's capital, in the total amount of R\$ 2,999 through the issue of 249,996 common shares, book-entry and without par value, at the issue price of R\$ 12.00 per share, set according to the criteria established in item I, paragraph 1, article 170 of the Brazilian Corporation Law, which were fully subscribed and paid-in by the new shareholders through the capitalization of credits held by such shareholders against the Company according to the respective warrant bulletins; and (ii) the repurchase, by the Company, of 28,371,574 common shares issued by the Company, pro rata to all its shareholders on that date ("Share Repurchase"), for R\$1.00232132 per share, equivalent to the book value of the shares as at March 31, 2021, considering the Company's share split approved at the Company's General Shareholders' Meeting held on May 26, 2021, and using the resources available in the capital reserve existing on the date of the EGM, to be held in treasury.

The effectiveness of the Share Buyback was conditioned to the setting of the price per share within the scope of the initial public offering of the Company's common shares ("Offering"), thus becoming effective before the announcement of the start of the Offering and of the beginning of the trading of shares issued by the Company on B3 SA – Brasil, Bolsa, Balcão.

- b) Initial Public Offering ("IPO") of the Company

On August 9, 2021, the Company concluded its public offering of shares and the pricing for trading on the São Paulo Stock Exchange (BOVESPA). The share price was set at R\$19.75.

On August 10, 2021, the Company officially debuted on the stock exchange under the ticker ONCO3. The total proceeds, net of transaction costs, were R\$1,699,205. The Company intends to use the net proceeds to (i) bear the costs of building new hospitals and/or expanding existing units through greenfield and brownfield projects, in the ordinary course of business; and (ii) the acquisition, in the ordinary course of business, of new assets (hospitals, oncological clinics, health insurance brokers, among others) that add know-how or allow the development of new lines of business that prove to be attractive in the future.

- c) On July 6, 2021, the Company entered into an agreement for the acquisition (in progress) of Complexo Hospital de Uberlândia, which is subject to conditions precedent usual in this type of transaction, including the approval from the Administrative Council for Economic Defense (CADE), as disclosed in note 1.

- d) On August 3, 2021, the Company and the noncontrolling shareholder entered into amendments to all intragroup loans, with the purpose of changing the payment term (24 months after the settlement of the Offering), increasing the remuneration rate (from 100 % of DI to 100% of DI + 2.75% to 2.96%) and the inclusion of a 1% late payment penalty, depending on the characteristics of each transaction.

33. APPROVAL OF INTERIM FINANCIAL INFORMATION

The Company's interim financial information for the six-month period ended June 30, 2021 was approved and authorized for issue by the Board of Directors on August 13, 2021.