

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

Oncoclínicas do Brasil Serviços Médicos S.A. and Subsidiaries

Individual and Consolidated
Financial Statements
for the Year Ended
December 31, 2022 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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

INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

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

Opinion

We have audited the accompanying individual and consolidated financial statements of Oncoclínicas do Brasil Serviços Médicos S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the balance sheet as at December 31, 2022, and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Oncoclínicas do Brasil Serviços Médicos S.A. as at December 31, 2022, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters ("KAMs") are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

Business combinations

Why it is a KAM

As described in note 4 to the individual and consolidated financial statements, during the year ended December 31, 2022, the Company carried out certain business combinations, and the fair value measurement of the considerations transferred and the allocation of assets acquired and liabilities assumed in a business combination are complex matters and involve the Executive Board's judgment in applying the concepts set out in technical pronouncement CPC 15 (R1) - "Combinação de Negócios" (equivalent to international standard IFRS 3 - Business Combination).

How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) understanding the Company's internal controls to identify, monitor and record these transactions; (ii) assessing the purchase price allocation, analyzing the financial information of acquirees and holding discussions with the Executive Board about the consistency of accounting policies and estimates; (iii) assessing and testing the key assumptions used by the Company as regards the fair value measurements and allocations, on the acquisition date, of the assets acquired and liabilities assumed; (iv) for the main acquisition occurred during the year, involving the specialists to assist us in assessing the fair value of the consideration transferred based on the reasonableness of the judgments adopted by the Executive Board in the fair value allocation of the assets acquired; (v) reading and analyzing the purchase price allocation report, prepared by external advisors hired by the Company to assist with the determination of the fair values of the assets acquired and liabilities assumed, as well as assessing the technical qualification of these external advisors; (vi) reading and analyzing reports on the due diligence processes conducted by the Company, with the support of external specialists; (vii) analyzing the determination of the goodwill amount paid on the acquisition; and (viii) analyzing the appropriateness of the disclosures made by the Company in the individual and consolidated financial statements.

Based on the audit procedures summarized above and the evidence obtained, we consider that the criteria, assumptions and judgments adopted by the Executive Board in the business combinations carried out by the Company during the year, as well as the related disclosures in the notes to the financial statements, are acceptable, in all material respects, in the context of the individual and consolidated financial statements taken as a whole.

Impairment of goodwill arising from business combinations

Why it is a KAM

As mentioned in note 13 to the individual and consolidated financial statements, the Company records significant balances related to goodwill arising from business combinations, which are annually tested for impairment.

This matter was considered a KAM given the materiality of such assets and the fact that the impairment testing models adopted involve a degree of judgment by the Executive Board. These judgments are based on assumptions that might be affected by future market events, particularly those associated with cash flow projections and the discount rate used. Due to the materiality of balances, the level of uncertainty and degree of judgment inherent in determining the related recoverable amounts, we considered it a KAM.

How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) assessing the criteria applicable to the definition and identification of Cash-Generating Units - CGUs; (ii) understanding the model prepared by the Company, including the internal controls and criteria adopted by the Executive Board for preparing the key assumptions; (iii) involving specialists to assist us in the assessment of the calculation methodology prepared by the Executive Board as regards the impairment test of these assets, including the discount rate assessment, as well as assessing the model mathematical consistency; (iv) preparing independent estimates of certain assumptions and comparing with the amounts determined by the Executive Board; (v) analyzing the sensitivity of the key assumptions adopted by the Executive Board; and (vi) analyzing the appropriateness of the disclosures made by the Company in the individual and consolidated financial statements.

As a result of performing these procedures, we identified certain deficiencies in internal controls relating to the process for preparation of the model used in the goodwill impairment test by the Company.

Based on the audit procedures summarized above and the evidence obtained, we consider that the criteria, assumptions and calculations made by the Executive Board in its impairment test of the goodwill arising on business combinations, as well as the related disclosures in the notes to the financial statements, are acceptable, in all material respects, in the context of the individual and consolidated financial statements.

Deferred income tax assets

Why it is a KAM

As mentioned in note 29 to the individual and consolidated financial statements, in the year ended December 31, 2022, the Company recognizes significant balances of deferred income tax assets arising from tax loss carryforwards and tax benefit deriving from goodwill on downstream merger.

This matter was considered a KAM given the materiality of such assets and the fact that the recoverability of these assets involves a degree of judgment by the Executive Board. These judgments are based on assumptions that might be affected by future market events, particularly those associated with cash flow projections and financial and corporate restructurings planned by the Executive Board. Due to the materiality of balances, the level of uncertainty and degree of judgment inherent in determining the related recoverable amounts, we considered it a KAM.

How the matter was addressed in our audit

Our audit procedures included, but were not limited to: (i) understanding the Company's internal controls over the existence and realization of tax credits; (ii) involving specialists to assist us in the assessment of the existence of deferred tax credits arising from tax loss and goodwill of merged entities; (iii) analyzing the study on the impairment test of deferred income tax assets, considering the impairment projections prepared by the Executive Board; (iv) preparing independent estimates of certain assumptions and comparing with the amounts determined by the Executive Board; and (v) analyzing the appropriateness of the disclosures made by the Company in the individual and consolidated financial statements.

In the course of our audit, we identified adjustments not corrected by the Executive Board which, even though being considered immaterial in the context of the individual and consolidated financial statements taken as a whole, have affected the measurement of the deferred income tax balances recognized.

Based on the audit procedures summarized above and the evidence obtained, we consider that the criteria and assumptions adopted by the Executive Board in the measurement and impairment test of the deferred income tax assets, as well as the related disclosures in the notes to the financial statements, are acceptable, in all material respects, in the context of the individual and consolidated financial statements.

Other matters

Statements of value added

The individual and consolidated statements of value added (“DVA”) for the year ended December 31, 2022, prepared under the responsibility of the Company’s Executive Board and disclosed as supplemental information for purposes of the IFRS, were subject to audit procedures performed together with the audit of the Company’s individual and consolidated financial statements. In forming our opinion, we assess whether these statements of value added are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the independent auditor’s report

The Executive Board is responsible for the other information. Such other information comprises the Management Report and Earnings Release.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and Earnings Release, and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and Earnings Release and, in doing so, consider whether these reports are materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report and Earnings Release, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board and those charged with governance for the individual and consolidated financial statements

The Executive Board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and IFRS, issued by the IASB, and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit: We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

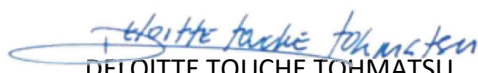
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, when applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 28, 2023


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Daniel de Carvalho Primo
Engagement Partner

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

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

BALANCE SHEETS AS AT DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

ASSETS	Note	Parent		Consolidated		LIABILITIES AND EQUITY	Note	Parent		Consolidated	
		2022	2021	2022	2021			2022	2021	2022	2021
CURRENT ASSETS											
Cash and cash equivalents	5	79.931	398.436	263.208	536.838	CURRENT LIABILITIES					
Securities and financial assets	6	593.351	148.800	829.594	1.477.914	Trade payables	15	50.589	37.744	604.785	427.339
Trade receivables	7	33.262	29.515	1.379.614	666.151	Reverse factoring	16	-	-	183.781	-
Inventories	8	17.060	13.088	163.937	69.410	Borrowings and financing	17	22.316	70.623	321.580	353.370
Recoverable taxes	9	52.962	24.738	142.602	96.631	Derivative financial instruments	17	10.113	-	11.142	2.558
Dividends receivable	31.2	41.420	12.810	-	-	Debentures	18	7.771	-	17.245	2.540
Other assets	10	21.602	11.714	47.874	24.285	Payroll and related taxes	19	39.267	27.894	100.574	80.137
Total current assets		<u>839.588</u>	<u>639.101</u>	<u>2.826.829</u>	<u>2.871.229</u>	Taxes payable	20	7.830	7.609	100.249	68.904
						Income tax and social contribution payable		-	-	4.548	19.868
						Payables for acquisitions	21	1.620	1.163	301.067	83.191
						Dividends payable	31.5	-	-	47.091	24.102
						Lease liability	14.2	4.885	4.656	64.170	37.467
						Other liabilities	22	53.960	11.856	127.047	91.246
						Total current liabilities		<u>198.351</u>	<u>161.545</u>	<u>1.883.279</u>	<u>1.190.722</u>
NONCURRENT ASSETS											
Securities and financial assets	6	765	505	12.144	35.885	NONCURRENT LIABILITIES					
Escrow deposits	23	7.578	7.850	18.422	12.599	Borrowings and financing	17	537.305	40.026	1.038.599	805.127
Deferred income tax and social contribution	29.c	-	-	223.428	33.424	Debentures	18	738.489	-	1.727.918	997.106
Related parties	31.1	191.905	81.642	32.311	31.308	Payroll and related taxes	19	776	12.294	776	12.294
Advances for future capital increase	31.3	349.803	533.262	-	1.738	Taxes payable	20	-	-	15.125	7.304
Other assets	10	22.568	18.312	79.354	77.365	Deferred income tax and social contribution	29.d	-	-	6.385	5.939
						Provisions for tax, labor and civil risks	23	82	1.068	61.618	41.134
Investments in subsidiaries and associates	11	2.425.124	722.368	22.222	1.386	Payables for acquisitions	21	102.328	34.370	468.800	371.316
Property and equipment	12	56.073	61.293	706.783	477.916	Related parties	31.4	380.455	3.130	2.570	8.541
Intangible assets	13	257.431	70.413	3.914.464	2.238.409	Advances for future capital increase	31.6	-	-	6.351	5.424
Right of use	14.1	12.363	20.799	383.822	251.151	Lease liability	14.2	9.105	18.553	304.660	232.204
Total noncurrent assets		<u>3.323.610</u>	<u>1.516.444</u>	<u>5.392.950</u>	<u>3.161.181</u>	Allowance for loss on investment in subsidiaries	11	27.055	26.199	-	-
						Other liabilities	22	51.467	4.351	71.242	50.356
						Total noncurrent liabilities		<u>1.847.062</u>	<u>139.991</u>	<u>3.704.044</u>	<u>2.536.745</u>
						EQUITY	24				
						Capital		2.249.716	2.207.134	2.249.716	2.207.134
						Expenses on public offering		(104.466)	(104.466)	(104.466)	(104.466)
						Treasury shares		(79.396)	(20.621)	(79.396)	(20.621)
						Capital reserve		805.276	588.005	805.276	588.005
						Valuation adjustments to equity		13.361	14.955	13.361	14.955
						Transactions between shareholders		(478.214)	(496.246)	(478.214)	(496.246)
						Accumulated losses		(288.492)	(334.752)	(288.492)	(334.752)
						Equity attributable to owners					
						of the Company		2.117.785	1.854.009	2.117.785	1.854.009
						Noncontrolling interests		-	-	514.671	450.934
						Total equity		2.117.785	1.854.009	2.632.456	2.304.943
TOTAL ASSETS		<u>4.163.198</u>	<u>2.155.545</u>	<u>8.219.779</u>	<u>6.032.410</u>	TOTAL LIABILITIES AND EQUITY		<u>4.163.198</u>	<u>2.155.545</u>	<u>8.219.779</u>	<u>6.032.410</u>

The accompanying notes are an integral part of these financial statements.

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ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF PROFIT AND LOSS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In thousands of Brazilian reais - R\$, except loss per share)

	Note	ContrParentoladora		Consolidated	
		2022	2021	2022	2021
NET REVENUE	25	191.130	177.835	4.088.252	2.702.066
Cost of services	26	(131.986)	(122.263)	(2.636.145)	(1.833.275)
GROSS PROFIT		<u>59.144</u>	<u>55.572</u>	<u>1.452.107</u>	<u>868.791</u>
OPERATING INCOME (EXPENSES)					
General and administrative expenses	26	(101.551)	(129.108)	(980.817)	(688.050)
Other operating income (expenses), net	26	3.414	1.693	(190)	(3.526)
Share of profit (loss) of subsidiaries	11	136.422	31.791	(535)	-
OPERATING INCOME (LOSS) BEFORE FINANCE INCOME (COSTS)		<u>97.429</u>	<u>(40.052)</u>	<u>470.565</u>	<u>177.215</u>
FINANCE INCOME (COSTS)					
Finance income	27	54.593	42.108	141.081	66.659
Finance costs	27	(105.762)	(48.317)	(490.106)	(181.537)
		(51.169)	(6.209)	(349.025)	(114.878)
OPERATING PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		<u>46.260</u>	<u>(46.261)</u>	<u>121.540</u>	<u>62.337</u>
INCOME TAX AND SOCIAL CONTRIBUTION					
Current	29	-	-	(132.979)	(84.377)
Deferred	29	-	(639)	125.209	(377)
PROFIT (LOSS) FOR THE YEAR		<u>46.260</u>	<u>(46.900)</u>	<u>113.770</u>	<u>(22.417)</u>
ATTRIBUTABLE TO					
Owners of the Company				46.260	(46.900)
Noncontrolling interests				67.510	24.483
				<u>113.770</u>	<u>(22.417)</u>
EARNINGS (LOSS) PER SHARE					
Basic (cents per share - in R\$)	28	<u>0,0964</u>	<u>(0,1137)</u>		
Diluted (cents per share - in R\$)	28	<u>0,0870</u>	<u>(0,1137)</u>		

The accompanying notes are an integral part of these financial statements.

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ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Parent		Consolidated	
	2022	2021	2022	2021
PROFIT (LOSS) FOR THE YEAR	46.260	(46.900)	113.770	(22.417)
Items that may be subsequently reclassified to the statement of profit and loss:				
Exchange rate changes on the translation of foreign transactions	(1.594)	2.958	(1.594)	2.958
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>44.666</u>	<u>(43.942)</u>	<u>112.176</u>	<u>(19.459)</u>
ATTRIBUTABLE TO				
Owners of the Company	-	-	44.666	(43.942)
Noncontrolling interests	-	-	67.510	24.483
	<u>-</u>	<u>-</u>	<u>112.176</u>	<u>(19.459)</u>

The accompanying notes are an integral part of these financial statements.

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ONCOCLÍNICAS DO BRASIL SERVICOS MÉDICOS S.A.

STATEMENTS OF CHANGES IN EQUITY (PARENT AND CONSOLIDATED)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	2022											
	Note	Capital		Expenses on public offering	Treasury shares	Capital reserve	Valuation adjustments to equity	Transactions between shareholders	Accumulated losses	Attributable to owners of the Company	Noncontrolling interests	Total equity
		Subscribed	Unpaid									
BALANCES AS AT DECEMBER 31, 2020		425.656	(9.590)	-	-	466.746	11.997	(205.186)	(287.852)	401.771	279.398	681.169
Loss for the year		-	-	-	-	-	-	-	(46.900)	(46.900)	24.483	(22.417)
Dividends paid to noncontrolling shareholders	24.e)	-	-	-	-	-	-	-	-	-	(31.785)	(31.785)
Capital payment	24.a) and f.)	1.781.478	9.590	-	-	-	-	-	-	1.791.068	240.526	2.031.594
Expenses on public offering	24.a)	-	-	(104.466)	-	-	-	-	-	(104.466)	-	(104.466)
Capital decrease	24.f)	-	-	-	-	-	-	-	-	-	(400)	(400)
Treasury shares acquired	24.c)	-	-	-	(28.436)	-	-	-	-	(28.436)	-	(28.436)
Treasury shares sold	24.c)	-	-	-	7.815	-	-	-	-	7.815	-	7.815
Goodwill on the exercise of share-based payment options	24.d)	-	-	-	-	109.152	-	-	-	109.152	-	109.152
Exchange rate changes on the translation of foreign transactions		-	-	-	-	-	2.958	-	-	2.958	-	2.958
Share-based payment	24.d)	-	-	-	-	12.107	-	-	-	12.107	-	12.107
Acquisition of additional equity interest from noncontrolling shareholders	24.f)	-	-	-	-	-	-	(294.991)	-	(294.991)	(61.591)	(356.582)
Transactions between shareholders	24.f)	-	-	-	-	-	-	3.931	-	3.931	303	4.234
		-	-	-	-	-	-	-	-	-	-	-
BALANCES AS AT DECEMBER 31, 2021		<u>2.207.134</u>	<u>-</u>	<u>(104.466)</u>	<u>(20.621)</u>	<u>588.005</u>	<u>14.955</u>	<u>(496.246)</u>	<u>(334.752)</u>	<u>1.854.009</u>	<u>450.934</u>	<u>2.304.943</u>
Profit for the year		-	-	-	-	-	-	-	46.260	46.260	67.510	113.770
Dividends paid to noncontrolling shareholders	24.e)	-	-	-	-	-	-	-	-	-	(33.976)	(33.976)
Interest on capital paid to noncontrolling shareholders	24.e)	-	-	-	-	-	-	-	-	-	(7.304)	(7.304)
Capital payment	24.a) and f.)	42.582	-	-	-	-	-	-	-	42.582	65.277	107.859
Subscription warrant	24.b)	-	-	-	-	204.700	-	-	-	204.700	-	204.700
Stock options	21	-	-	-	-	-	-	-	-	-	(31.815)	(31.815)
Treasury shares acquired	24.c)	-	-	-	(65.017)	-	-	-	-	(65.017)	-	(65.017)
Exchange rate changes on the translation of foreign transactions		-	-	-	-	-	(1.594)	-	-	(1.594)	-	(1.594)
Share-based payment	24.d)	-	-	-	-	28.022	-	-	-	28.022	-	28.022
Settlement of the share-based program	24.d)	-	-	-	6.242	(15.451)	-	-	-	(9.209)	-	(9.209)
Transactions between shareholders	24.f)	-	-	-	-	-	-	18.032	-	18.032	4.045	22.077
		-	-	-	-	-	-	-	-	-	-	-
BALANCES AS AT DECEMBER 31, 2022		<u>2.249.716</u>	<u>-</u>	<u>(104.466)</u>	<u>(79.396)</u>	<u>805.276</u>	<u>13.361</u>	<u>(478.214)</u>	<u>(288.492)</u>	<u>2.117.785</u>	<u>514.671</u>	<u>2.632.456</u>

The accompanying notes are an integral part of these financial statements.

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

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		2022	2021	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES					
Profit (loss) for the year		46.260	(46.900)	113.770	(22.417)
Adjustments to reconcile profit (loss) for the year to net cash generated by operating activities:					
Depreciation and amortization	26	31.336	25.492	175.152	126.973
Reversal of (allowance) for expected credit losses and provision for disallowances	25	20	(6.832)	99.308	48.712
Share of profit (loss) of subsidiaries	11	(136.422)	(31.791)	535	-
Income from securities		(12.673)	(1.597)	(62.331)	(3.210)
Interest on borrowings, financing and debentures	27	32.884	31.462	335.142	110.589
Interest on leases	27	1.202	2.064	27.039	17.080
Interest related to related parties and acquisitions		21.526	27	27.530	23.611
Adjustment to fair value	27	2.609	-	10.771	-
Adjustment to present value	27	4.976	-	18.328	-
Phantom Shares provision	26	11.082	69.163	11.082	69.163
Foreign exchange fluctuation		(826)	152	(826)	416
Marked-to-market - Swap	27	10.113	(3.828)	14.755	(3.272)
Current and deferred income tax and social contribution	29	-	639	(125.209)	377
Derecognition of property and equipment	12	5	157	1.960	1.100
Provisions (reversals) for tax, labor and civil risks	26	(986)	416	3.725	1.171
		<u>11.106</u>	<u>38.624</u>	<u>650.731</u>	<u>370.293</u>
Changes in operating assets and liabilities:					
Trade receivables	33	(3.767)	2.321	(676.101)	(182.045)
Inventories		(3.972)	(5.268)	(70.292)	(24.218)
Recoverable taxes		(28.224)	(6.942)	(128.986)	(61.826)
Escrow deposits		272	(161)	(903)	(1.480)
Other assets		(6.882)	(177)	(10.156)	13.592
Trade payables		12.846	(8.850)	262.553	47.752
Taxes payable	33	221	(644)	79.009	80.954
Payroll and related taxes	33	(9.355)	(65.910)	(19.872)	(65.244)
Other liabilities		7.710	(14.711)	51.361	(24.778)
Net cash used in operating activities		(31.151)	(100.342)	(513.387)	(217.293)
Interest paid on borrowings, financing, debentures, leases and acquisitions	14, 17, 18 and 21	(7.239)	(36.605)	(341.559)	(128.783)
Interest paid on trade payables - payor risk	16	-	-	(6.986)	-
Income tax and social contribution paid	33	-	-	(60.443)	(33.500)
Net cash used in operating activities		<u>(27.284)</u>	<u>(98.323)</u>	<u>(271.644)</u>	<u>(9.283)</u>
CASH FLOW FROM INVESTING ACTIVITIES					
Payment of business acquisitions, net of cash acquired	33	(555.533)	-	(819.361)	(402.500)
Acquisition of interest		-	-	(13.022)	-
Acquisition of property and equipment and intangible assets	33	(110.603)	(35.680)	(300.179)	(188.445)
Advance for real estate development construction		-	-	(4.000)	(13.500)
Securities	17	(432.138)	(101.152)	734.392	(1.431.400)
Dividends received	33	15.391	39.732	-	-
Capital increase		-	-	(14.157)	-
Advance for future capital increase	33	(544.260)	(573.095)	1.738	-
Related parties		(101.244)	(10.437)	5.867	5.934
Net cash used in investing activities		<u>(1.728.387)</u>	<u>(680.632)</u>	<u>(408.722)</u>	<u>(2.029.911)</u>
CASH FLOW FROM FINANCING ACTIVITIES					
Borrowings and financing	17	499.130	21.220	705.837	190.542
Debentures	18	738.490	-	733.467	997.106
Settlement of swap		-	-	(4.176)	-
Repayment of borrowings and financing	17	(70.000)	(458.821)	(689.419)	(508.825)
Payment of debentures	18	-	-	(48.351)	-
Payment of acquisitions	33	(1.336)	(51.589)	(90.787)	(291.099)
Payment of share redemption		-	-	-	(148.257)
Payment of intangible assets - Unimed partnership	22	-	-	(13.000)	-
Dividends paid		-	-	(18.291)	(26.398)
Due to related parties		350.875	(57.095)	(10.164)	(9.997)
Payment of leased assets	14.2	(5.012)	(4.453)	(83.979)	(25.513)
Capital increase	24 a)	-	1.778.478	-	1.788.375
Capital decrease	24 c)	-	-	-	(400)
Payment of intangible assets	22	(9.964)	-	(9.964)	-
Expenses on public offering	24 a)	-	(104.466)	-	(104.466)
Acquisition of treasury shares	24 a)	(65.017)	(28.436)	(65.017)	(28.436)
Advance for future capital increase	33	-	-	927	2.086
Net cash generated by financing activities		<u>1.437.166</u>	<u>1.094.838</u>	<u>407.083</u>	<u>1.834.718</u>
Effects of exchange rate changes on cash held in foreign currencies		-	-	(347)	423
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(318.505)</u>	<u>315.883</u>	<u>(273.630)</u>	<u>(204.053)</u>
Cash and cash equivalents at the beginning of the year	5	398.436	82.553	536.838	740.891
Cash and cash equivalents at the end of the year	5	79.931	398.436	263.208	536.838
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(318.505)</u>	<u>315.883</u>	<u>(273.630)</u>	<u>(204.053)</u>

The accompanying notes are an integral part of these financial statements.

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

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		2022	2021	2022	2021
Revenue		204.368	192.043	4.381.696	2.888.666
Provision of services	25	204.226	182.942	4.440.243	2.923.533
Revenue from construction of own assets and leasehold improvements		162	2.269	40.761	13.845
Allowance for expected credit losses and provision for disallowances	25	(20)	6.832	(99.308)	(48.712)
Inputs acquired from third parties		(159.493)	(143.043)	(2.886.253)	(1.953.114)
Cost of services		(117.950)	(120.298)	(2.290.985)	(1.731.237)
Supplies, power, outside services		(41.368)	(21.767)	(594.335)	(220.470)
Other		(175)	(978)	(933)	(1.407)
Gross value added		44.875	49.000	1.495.443	935.552
Withholdings		(31.336)	(25.492)	(175.152)	(126.973)
Depreciation and amortization	26	(31.336)	(25.492)	(175.152)	(126.973)
Net wealth		13.539	23.508	1.320.291	808.579
Wealth received in transfer		191.015	73.899	140.546	66.659
Share of profit (loss) of subsidiaries	11	136.422	31.791	(535)	-
Finance income	27	54.593	42.108	141.081	66.659
Total wealth		204.554	97.407	1.460.837	875.238
Wealth distributed		204.554	97.407	1.460.837	875.238
Personnel and related taxes		34.533	79.446	481.713	366.683
Salaries and wages		31.582	76.551	348.146	281.836
Benefits		2.394	2.268	109.266	65.477
Severance pay fund (FGTS)		557	627	24.301	19.370
Taxes, fees and contributions		16.719	15.558	349.817	320.736
Federal		10.726	10.123	230.976	243.843
Municipal		5.993	5.435	118.841	76.893
Lenders and lessors		107.042	49.303	515.537	210.236
Finance costs	27	105.762	48.317	490.106	181.537
Occupancy expenses		1.280	986	25.431	28.699
Shareholders		46.260	(46.900)	113.770	(22.417)
Dividends		-	-	-	15.490
Retained earnings (accumulated losses)		46.260	(46.900)	46.260	(46.900)
Noncontrolling interests in retained earnings		-	-	67.510	8.993

The accompanying notes are an integral part of these financial statements.

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

ONCOCLÍNICAS DO BRASIL SERVIÇOS MÉDICOS S.A.
NOTES TO THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

1. GENERAL INFORMATION

Oncoclínicas do Brasil Serviços Médicos S.A. (“Company”, “Parent” or “Oncoclínicas”), with head office in São Paulo - SP, established in 2010, is a publicly-held company since August 2021, listed on the Novo Mercado of B3 S.A. , whose shares are traded under ticker symbol ONCO3. 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. In the essence the patient is the center of everything and, for this reason, Oncoclínicas Group is always searching for the most modern treatments and the highest level of quality and security.

Oncoclínicas’ mission is to “beat the cancer”.

The Company’s controlling shareholder is The Goldman Sachs Group, Inc. (“Goldman Sachs”), in addition to noncontrolling shareholders, including Mr. Bruno Lemos Ferrari. The shareholding structure is shown in note 24.

Oncoclínicas Group is an oncology service group in Brazil, consisting of 133 operating units in 2022, compared to 91 in 2021, covering 35 cities, operating in the specialized areas of oncology, radiotherapy, hematology, bone marrow transplant and precision medicine.

Corporate restructuring

Oncoclínicas Group underwent an extensive expansion in the past years, and, as from the 4th quarter of 2022, it launched projects involving its corporate reorganization, in order to gain synergy among its business areas, increase its operational and financial efficiency, and allow the utilization of tax benefits on the goodwill paid on the acquisitions of new investments.

The projects involve spin-offs and direct, downstream and lateral mergers, and in the case of lateral mergers, there is a clear intention of seeking the regionalization of units, which will result in scale gain in the negotiations with the health insurance plans.

Within the context of the corporate reorganization projects, in October 2022, two downstream mergers were carried out, as detailed below:

- Hematológica x Oncocentro Imagem Serviços Médicos Ltda. (Oncoimagem): Oncoimagem recognized the goodwill acquired in a business combination arising from the acquisition of Hematológica. Oncoimagem was partially spun off, which transaction was followed by the merger of the goodwill into Hematológica, allowing its tax utilization. After this transaction, Hematológica started to be directly controlled by Oncoclínicas and, for accounting purposes, the transaction resulted in the recognition of goodwill reserve in Hematológica, at the percentage rate of 34%, as a contra entry to deferred income tax and social contribution assets. In the Company’s consolidated financial statements, such corporate reorganization gave rise to the reclassification of a portion of the goodwill acquired in business combination to deferred income tax assets in the amount of R\$7,165.

- Cebrom x Oncoclínicas Centro de Tratamento (CTO): CTO recognized the goodwill acquired in a business combination arising from the acquisition of Cebrom. CTO was partially spun off, which transaction was followed by the merger of the goodwill into Cebrom, allowing its tax utilization. Cebrom started to be directly controlled by Centro Paulista de Oncologia S.A. (CPO) and the Company. For accounting purposes, the transaction resulted in the recognition of goodwill reserve in Cebrom, at the percentage rate of 34%, as a contra entry to deferred income tax and social contribution assets. In the Company's consolidated financial statements, such corporate reorganization gave rise to the reclassification of a portion of the goodwill acquired in business combination to deferred income tax assets in the amount of R\$58,174.

Transactions in progress

- Cancer Center São Paulo

On September 1, 2022, Oncoclínicas has entered into a binding memorandum of understanding with Unimed Nacional ("UN") for joint investment in a new hospital complex and integrated cancer treatment center, called Cancer Center São Paulo, which will cover a total area of approximately 40 thousand m², close to important highways of the city and with privileged visibility and accessibility, expected to be completed within 36 months. The expected investment in this project is approximately R\$300,000.

Oncoclínicas will hold 75% stake in Cancer Center São Paulo and UN will hold 25%, operating as one of the investors and business partners in this project. UN's investment in the cancer center will be associated with the integration of the oncological patient treatment line.

The closing of the transaction is subject to the signature of the final documents and the fulfillment of certain conditions precedent, including, without limitation, the approval of the transaction by the Administrative Council for Economic Defense (CADE).

- Expansion of the Unimed Nacional partnership

On October 7, 2022, the Company's Board of Directors approved the execution of a memorandum of understanding between Central Nacional Unimed – Cooperativa Central and the Company. The purpose of the partnership is the establishment of a new company engaged in offering full oncology care services to the cooperatives comprising Unimed System, which elect to do so throughout Brazil.

The subsidiary will have a shareholding structure of at least 50.01% for Oncoclínicas and up to 49.99% for Unimed Nacional, depending on the allocation of capital required for future partnerships or long-term commercial agreements to be entered into between the entity and Unimed Nacional and each individual Unimed that elects to associate with it.

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

- Porto Seguro investment agreement

On December 17, 2022, the Company signed an investment agreement with Porto Seguro Serviços e Comércio S.A. ("Porto Seguro"), to create a partnership between the Company and Porto Seguro for the establishment of an oncological service subsidiary, which capital will be fully held by both entities, where 60% stake will be held by Oncoclínicas and 40% by Porto Seguro.

The completion of this transaction is subject to the fulfillment of certain usual conditions precedent, including, without limitation, the approval of the transaction by the Administrative Council for Economic Defense (CADE).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Company's individual and consolidated financial statements have been prepared and are being presented in accordance with International Financial Reporting Standards ("IFRSs"), issued by the International Accounting Standards Board ("IASB"), and the accounting practices adopted in Brazil, considering the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee ("CPC"), approved by the Brazilian Securities and Exchange Commission ("CVM"), and the provisions of the Brazilian Corporate Law, and disclose all the relevant information specific to the financial statements, and only such information, which corresponds to the information used by Management to manage the Company.

2.1. Basis of preparation

The Company's individual and consolidated financial statements have been prepared based on the historical cost, except for derivative financial instruments and contingent considerations measured at their fair values at the end of each reporting period, as described in the accounting policies below:

The preparation of financial statements requires Management to make judgments and use certain critical accounting estimates and assumptions in the application of the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

2.2. Business combination

Business acquisitions are accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is determined by the aggregate of fair values on the acquisition date: a) of assets transferred by the acquirers; b) of liabilities incurred by acquirers to the sellers; and c) of equity interests issued by the acquirers. Acquisition costs are generally recognized in profit or loss when incurred.

Goodwill is measured based on the excess amount arising from the sum up of the consideration transferred, the amount of noncontrolling interests in the acquiree and the fair value of the acquirer's interest previously held in the acquiree (if any) on the net amounts on the date of acquisition of the identifiable assets acquired and liabilities assumed. If, after the revaluation, the net amounts of identifiable assets acquired and liabilities assumed on the acquisition date are higher than the sum up of the consideration transferred, the amount of the noncontrolling interests in the acquiree and the fair value of the acquirer's interest previously held in the acquiree (if any), the excess amount is immediately recognized in profit or loss as gain on bargain purchase.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its fair value on the acquisition date and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration classified as adjustments of the measurement period are retrospectively adjusted, with corresponding adjustments to goodwill. Changes in the fair value of the contingent consideration not related to the measurement period are recorded as a contra entry to the statement of profit and loss for the year, in finance income (costs).

When the initial accounting for a business combination is incomplete at the end of the year in which the combination takes place, the Company records the business combination at provisional amounts. During the measurement period, which cannot exceed 12 months, the Company retrospectively adjusts the provisional amounts recognized on the acquisition date to reflect any new information obtained relating to facts and circumstances existing on the acquisition date which, if known on that date, would have affected the measurement of the amounts recognized, when the effects are considered material by the Company's Management.

Measurement period adjustments refer to adjustments resulting from additional information obtained over the "measurement period" (which cannot exceed one year after the acquisition date) about facts and circumstances on the acquisition date.

2.3. Investment in subsidiaries and consolidation

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

Investee (%)	12/31/2022			12/31/2021		
	Direct	Indirect	Total	Direct	Indirect	Total
1) Oncobio Serviços de Saúde S.A.	100.00	-	100.00	100.00	-	100.00
2) Oncocentro Imagem Serviços Médicos Ltda. (a)	91.78	8.22	100.00	90.85	9.15	100.00
3) Cruz Participações Ltda (Talassa Participações S.A)	50.01	-	50.01	50.01	-	50.01
4) Talia Participações Ltda.	99.90	0.10	100.00	99.90	0.10	100.00
5) Oncohematologia Participações Ltda.	99.61	0.39	100.00	99.19	0.81	100.00
6) Oncologia Participações Ltda.	92.14	7.86	100.00	100.00	-	100.00
7) Pontus Participações Ltda.	50.01	-	50.01	50.01	-	50.01
8) Oncopar Sul Empreendimentos e Participações Ltda.	94.81	5.19	100.00	100.00	-	100.00
9) Idengene Medicina Diagnóstica S.A.	92.76	7.24	100.00	99.76	0.24	100.00
10) Centro Paulista de Oncologia S.A.	99.50	-	99.50	99.50	-	99.50
11) Radioterapia Oncoclínicas Ribeirão Preto Ltda.	99.00	1.00	100.00	99.00	1.00	100.00
12) Radioterapia Oncoclínicas São Paulo Ltda.	98.09	1.10	100.00	99.00	1.00	100.00
13) Oncoclínicas Participações SP Ltda.	45.79	54.21	100.00	45.78	54.22	100.00
14) Central de Gestão e Saúde Ltda.	99.90	0.10	100.00	99.90	0.10	100.00
15) Radioterapia Oncoclínicas Salvador Ltda.	99.00	1.00	100.00	99.90	0.10	100.00
16) Oncoclínicas Salvador S.A.	100.00	-	100.00	100.00	-	100.00
17) Centro Mineiro de Infusão S.A.	69.15	30.85	100.00	100.00	-	100.00
18) Navarra RJ (Leste Fluminense S.A.)	51.00	-	51.00	51.00	-	51.00
19) Oncoclínicas Participações ES RJ Ltda.	99.99	0.01	100.00	100.00	-	100.00
20) CTC Oncologia S.A.	50.00	-	50.00	50.00	-	50.00
21) Centro de Excelência de RT do Rio de Janeiro S.A.	50.00	-	50.00	50.00	-	50.00
22) Oncoclínicas Centro de Tratamento Oncológico S.A. (a)	31.65	68.35	100.00	100.00	-	100.00
23) Unity Participações S.A. (iv)	100.00	-	100.00	-	-	-
24) Hematológica - Clínica de Hematologia S.A. (a)	100.00	-	100.00	-	100.00	100.00
25) Radiogroup Participações S.A.	-	80.00	80.00	-	80.00	80.00
26) Radiocare Serviços Médicos Especializadas Ltda.	-	100.00	100.00	-	100.00	100.00
27) Centro de Tratamento em Radioterapia Ltda.	-	100.00	100.00	-	100.00	100.00
28) Centro de Quimioterapia Antibalística e Imunoterapia S.A.	-	100.00	100.00	-	100.00	100.00
29) COT - Centro Oncológico do Triângulo S.A.	-	65.00	65.00	-	65.00	65.00
30) COT - Radioterapia Ltda.	-	100.00	100.00	-	100.00	100.00
31) Oncocentro Uberlândia S.A.	-	100.00	100.00	-	100.00	100.00
32) Oncoclínicas Participações Minas Gerais S.A.	-	87.75	87.75	-	87.75	87.75
33) Núcleo de Hematologia e Transplante Óssea de MG Ltda.	-	100.00	100.00	-	100.00	100.00
34) Instituto de Hematologia e Oncologia de Curitiba S.A. - Clínica Médica	-	72.00	72.00	-	72.00	72.00
35) Centro de Quimioterapia Oncoclínicas S.A.	-	100.00	100.00	-	100.00	100.00
36) Oncoclínicas Canoas Clínica de Oncologia Ltda.	-	100.00	100.00	-	100.00	100.00
37) Pro Onco Centro de Tratamento Oncológico S.A.	-	75.00	75.00	-	75.00	75.00
38) CPO - Centro Paraibano de Oncologia S.A.	14.00	86.00	100.00	14.00	86.00	100.00
39) Núcleo de Oncologia da Bahia S.A.	-	82.32	82.32	-	80.65	80.65
40) Núcleo de Oncologia da Bahia Centro de Prevenção Ltda.	-	99.95	99.95	-	99.95	99.95
41) Núcleo de Oncologia de Sergipe S.A.	99.99	0.001	100.00	99.99	0.001	100.00
42) Multihemo Serviços Médicos S.A.	99.99	0.001	100.00	99.99	0.001	100.00
43) Radioterapia Oncoclínicas Recife S.A.	7.00	93.00	100.00	7.00	93.00	100.00
44) Onco Clínica Recife Ltda.	-	99.99	99.99	-	99.99	99.99
45) Radioterapia Botafogo S.A.	-	100.00	100.00	-	100.00	100.00
46) Centro de Excelência Oncológica S.A.	-	50.00	50.00	-	50.00	50.00
47) CECON - Centro Capixaba de Oncologia S.A.	-	81.50	81.50	-	81.50	81.50
48) Helmond Oncologia S.A.	-	50.00	50.00	-	50.00	50.00
49) Instituto de Oncologia de Ribeirão Preto S.A.	4.50	81.50	86.00	4.50	81.50	86.00
50) Onco Vida Instituto Especializado de Oncologia Clínica S.A.	-	84.40	84.40	-	84.04	84.04
51) Aliança Instituto de Oncologia S.A.	-	80.00	80.00	-	80.00	80.00

Investee (%)	12/31/2022			12/31/2021		
	Direct	Indirect	Total	Direct	Indirect	Total
52) Oncoclínicas Rio de Janeiro S.A.	-	100.00	100.00	-	100.00	100.00
53) Boston Lighthouse Innovations Inc.	-	90.28	90.28	-	90.28	90.28
54) Yukon Participações S.A.	-	50.01	50.01	-	50.01	50.01
55) Baikal Participações S.A.	-	50.01	50.01	-	50.01	50.01
56) Angara Participações S.A.	-	50.01	50.01	-	50.01	50.01
57) Locus Anat. Patol. e Citologia Ltda.	-	100.00	100.00	-	100.00	100.00
58) Hospital de Oncologia do Méier S.A	-	100.00	100.00	-	100.00	100.00
59) Ira Instituto Roberto Alvarenga Ltda.	-	95.00	95.00	-	95.00	95.00
60) Instituto Materno Infantil de Minas Gerais S.A	-	100.00	100.00	-	100.00	100.00
61) Fundo de investimentos em direitos creditórios – FIDC	-	100.00	100.00	-	100.00	100.00
62) Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda (a)	31.65	68.35	100.00	-	100.00	100.00
63) CTR Centro de Tratamento Radioterápico Ltda	-	87.56	87.56	-	87.56	87.56
64) Complexo Hospitalar Uberlândia S.A.	-	100.00	100.00	-	100.00	100.00
65) UMC Imagem Ltda	-	100.00	100.00	-	100.00	100.00
66) Instituto do Coração do Triangulo Mineiro Ltda	-	100.00	100.00	-	100.00	100.00
67) CAM – Clínica de Assistência à Mulher Ltda. (i)	-	100.00	100.00	-	-	-
68) CLION – Clínica de Oncologia Ltda. (i)	-	100.00	100.00	-	-	-
69) GMN – Grupo de Medicina Nuclear Ltda. (i)	-	100.00	100.00	-	-	-
70) JPC – Patologia e Análises Clínicas Ltda. (i)	-	100.00	100.00	-	-	-
71) OSTEIO – Centro de Diagnóstico da Osteoporose Ltda. (i)	-	100.00	100.00	-	-	-
72) CTR – Centro de Tratamento Radioterápico de Anápolis Ltda	-	86.79	86.79	-	-	-
73) Microimagem Laboratório de Anatomia Patológica e Citopatologia Ltda.	-	100.00	100.00	-	-	-
74) CEMISE - Centro De Medicina Integrada De Sergipe Eireli (ii)	-	100.00	100.00	-	-	-
75) CEMISE - Ressonância Magnética e Tomografia Computadorizada Ltda. (ii)	-	100.00	100.00	-	-	-
76) ELO Medicina Diagnóstico Ltda.	-	100.00	100.00	-	-	-
77) Brasil Memorial Holding S.A. (iii)	-	100.00	100.00	-	-	-
78) Itaigara Memorial Hospital Dia Ltda (iii)	-	97.50	97.50	-	-	-
79) Salvador Memorial Empreendimentos Médicos Ltda (iii)	-	94.00	94.00	-	-	-
80) Clínica de Mastologia da Bahia S.A.	-	52.80	52.80	-	-	-
81) Andrômeda Participações Ltda.	-	100.00	100.00	-	100.00	100.00
82) JHSL Consultoria S.A.	55.46	-	55.46	-	-	-

- (a) Corporate restructuring involving Hematológica Oncoimagem, Cebrom and CTO, as informed in note 1.
- (i) Refers to the acquisition of CAM/CLION Group on January 10, 2022, as shown in note 4, which comprises Clínica de Assistência à Mulher Ltda (CAM), Clínica de Oncologia Ltda. (CLION), Grupo de Medicina Nuclear Ltda. (GMN), Patologia e Análises Clínicas Ltda. (JPC) and Centro de Diagnóstico da Osteoporose Ltda. (OSTEO).
- (ii) Refers to the acquisition of Cemise Group on March 4, 2022, as shown in note 4, which comprises 74) Centro De Medicina Integrada De Sergipe Eireli and Ressonância Magnética e Tomografia Computadorizada Ltda.
- (iii) Refers to the acquisition of Itaigara Group on June 24, 2022, as shown in note 4, which comprises Brasil Memorial Holding S.A., Itaigara Memorial Hospital Dia Ltda and Salvador Memorial Empreendimentos Médicos Ltda.
- (iv) Refers to the acquisition of Unity Participações S.A. on July 7, 2022.

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

- power over an investee;
- exposure or rights to variable returns arising from its interest in the investee; and
- the ability to use its power over the investee to affect the amount of the investor’s returns.

The accounting policies below are applied in the preparation of the consolidated financial statements.

(a) Subsidiaries

The financial statements of the subsidiaries are included in the consolidated financial statements as from the date control starts to be exercised through the date it ceases to be exercised.

In the Parent's individual financial statements, the subsidiaries' profit or loss is recognized under the equity method.

When Oncoclínicas Group ceases to have control, any retained interest in the entity is remeasured at fair value, and the change in the carrying amount is recognized in profit or loss.

In the consolidation, the parent company's interest in the subsidiaries' equity (or negative equity), as well as the balances of assets and liabilities, income, costs and expenses arising from intragroup transactions, were eliminated. The portion attributable to noncontrolling interests in the subsidiaries' equity is separately disclosed as a line item of consolidated equity and profit or loss.

(b) Transactions with noncontrolling interests

Oncoclínicas Group treats transactions with noncontrolling interests as transactions with owners of Oncoclínicas Group's assets. For acquisitions of noncontrolling interests, the difference between any consideration transferred and the acquired portion of the carrying amount of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to noncontrolling interests are also recognized directly in equity, in line item "Transactions between shareholders".

2.4. Comparability

The statement of profit and loss for the year ended December 31, 2022 does not include the full results of operations of investees Centro Brasileiro de Radioterapia Oncologia e Mastologia ("Cebrom"), CTR Centro de Tratamento Radioterápico Ltda ("CTR Bueno"), which started to be consolidated as from September 1, 2021, as well as UMC, ICT and UMC Imagem, which together form the Complexo Hospital de Uberlândia, consolidated as from October 1, 2021.

The statement of profit and loss for the year ended December 31, 2022 only includes the results of the companies acquired in 2022 since their acquisition date, as shown in note 4.

The readers of the financial information should take these aspects into consideration.

2.5. Foreign currency translation

(a) Functional and presentation currency

These individual and consolidated financial statements are presented in Brazilian reais (R\$), which is the functional currency adopted by the Parent and its subsidiaries established in Brazil, and Oncoclínicas Group's presentation currency. The functional currency of subsidiary Boston Lighthouse is the U.S. dollar (US\$).

(b) Foreign currencies

Foreign currency-denominated transactions are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Exchange gains and losses on monetary items are recorded in the statement of profit and loss as finance income or finance costs.

For purposes of presentation of these individual and consolidated financial statements, the financial statements of the foreign subsidiary were translated into Brazilian reais, using the current exchange rates at the balance sheet dates, and the translation effects are recognized in other comprehensive income and accumulated in line item "Valuation adjustments to equity", and are attributable to noncontrolling interests as appropriate.

2.6. Cash and cash equivalents

Cash and cash equivalents comprise cash, banks and short-term investments with liquidity within up to three months from the contracting date, which are subject to an insignificant risk of change in value and are used in managing short-term obligations.

2.7. Securities

Securities are stated at the acquisition cost, adjusted using the related index and/or effective interest rate. Securities are measured at amortized cost based on the effective interest rate. Any impairment losses are reflected in the financial statements.

2.8. Financial instruments

Financial assets and financial liabilities are recognized in the balance sheet when the Group becomes a party to the underlying contract.

The financial instruments are recorded pursuant to CPC 48/IFRS 9 – Financial Instruments, which determines the classification of assets under three categories: i) measured at fair value through profit or loss; ii) measured at fair value through other comprehensive income; and iii) measured at amortized cost. These classifications are based on the business model adopted by Management and the contractual cash flow characteristics.

Financial assets

All regular-way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular-way purchases or sales are purchases or sales of financial assets that require delivery of assets within a period established by regulation or convention in the marketplace. All financial assets recognized are subsequently measured at amortized cost or at fair value, depending on their classification.

Classification

The debt instruments are subsequently measured at amortized cost provided that the following conditions are met:

- The financial assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt instruments are subsequently measured at fair value through other comprehensive income provided that the following conditions are met:

- The financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at fair value through profit or loss.

Recognition and measurement

The financial assets are initially recognized at fair value, plus transaction costs for all financial assets not classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognized at fair value and transaction costs are recorded in the statement of profit and loss. Other financial assets are stated at amortized cost using the effective interest method.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred; in the latter case, provided that Oncoclínicas Group has transferred substantially all risks and rewards of ownership of the asset. Financial assets measured through other comprehensive income and financial assets measured at fair value through profit or loss are subsequently recognized at fair value.

Gains or losses arising from changes in the fair value of financial assets measured at fair value through profit or loss, if any, are recognized in the statement of profit and loss, in "Finance income (costs)" in the period they are earned or incurred.

Impairment of financial assets

Oncoclínicas Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that were not incurred) discounted at the financial asset's original interest rate in effect. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit and loss.

If, in the subsequent period, the impairment loss is reduced and the reduction can be objectively related to an event that occurred after the impairment was recognized (an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss will be recognized in the statement of profit and loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized when the proceeds are received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Upon initial measurement of the financial liabilities in certain transactions, the recognition of the fair value is attributed to equity, as contingent considerations within the scope of business combinations that are measured using inputs of variables such as cash flow projections and Ebitda multiples.

Call and put options give rise to a financial liability in those situations in which the Group has no unconditional right to avoid delivery of cash or another financial asset. In these obligations assumed with certain noncontrolling shareholders, the Company adopts the following accounting policy:

- In business combinations where the Group holds, in essence, a current ownership interest and, therefore, has the risks and rewards arising from put options granted to noncontrolling shareholders, a liability is recognized as a contra entry to the consideration transferred in a business combination, similarly to a contingent consideration assumed in a business combination.
- As regards other put options granted to noncontrolling shareholders where the Group has no unconditional right to avoid the delivery of cash and where the exceptions set forth in CPC 39 (IAS 32) have not been met, a liability is recognized in the financial statements based on the present value of the redemptions as a contra entry to the equity attributable to noncontrolling shareholders.

A financial liability is derecognized when the obligation is discharged, revoked, cancelled or when it expires. When an existing financial liability is replaced with another from the same lender with terms and conditions substantially different, or the terms of an existing liability are significantly modified, such replacement or modification is recognized as derecognition of the original liability and recognition of a new liability, and the difference is recognized in the statement of profit and loss.

Offset of financial instruments

Financial assets and financial liabilities are offset and the net amount is recorded in the balance sheet when there is a legally enforceable right to set off recognized amounts and the intent to either settle them on a net basis, or to recognize the asset and settle the liability simultaneously.

Fair value hierarchy

The Company's financial instruments are measured at fair value, using valuation methods.

The different levels are defined as follows:

- Level 1 - prices quoted (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3 – assumptions for assets or liabilities that are not based on observable market inputs (unobservable inputs).

The fair value of the Company's financial instruments is measured under Levels 2 and 3.

2.9. Trade receivables

Refer to amounts receivable from customers from the provision of services in the normal course of the Company's activities, net of the allowance for doubtful accounts and disallowances. The estimated losses on doubtful accounts is recognized when there is evidence that the Company will not be able to receive all the amounts due according to the terms of these receivables, based on a risk analysis and taking into consideration the estimated expected credit losses, using a provision matrix based on the Group's past default experience. The amount of the allowance for doubtful accounts corresponds to the difference between the carrying amount and the recoverable amount.

The provision for disallowances is recognized based on the historical percentage observed concurrently with the recognition of the revenue from services and the respective trade receivables.

If the collection period is equivalent to one year or less, trade receivables are classified in current assets; otherwise, they are classified in noncurrent assets.

Trade receivables are initially recognized at their original amounts, which approximate the fair values on the transaction date, and subsequently measured at amortized cost using the effective interest method, less the disallowance and allowance for doubtful accounts, based on the expected loss concept.

2.10. Derivative instruments (swap transactions)

Oncoclínicas Group maintains currency hedge instruments to manage its exposures to risks of foreign currency fluctuation. Derivatives are initially recognized at their fair value and attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes in fair value are recognized in profit or loss for the year.

2.11. Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value corresponds to the amounts that the Company expects to receive in consideration for the inventory sale. Inventory costs are based on average acquisition cost.

2.12. Property and equipment

(i) Recognition and measurement

Property and equipment items are stated at the historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses. All expenditures necessary for placing constructions in progress in the location and condition necessary for them to be able to operate in the manner intended by Management are recorded as cost of constructions in progress, including borrowings and financing costs related to the acquisition or construction of qualifying assets.

Subsequent expenditures are capitalized to the extent that it is probable that future economic benefits to which they are associated will flow to Oncoclínicas Group. Recurring maintenance and repair costs are recorded in profit or loss.

Any gains and losses on the disposal of a property and equipment item (measured as the difference between the disposal proceeds and the carrying amount of the item) are recognized in "Other operating income (expenses), net" in profit or loss.

(ii) Depreciation

Property and equipment items are depreciated on a straight-line basis in profit or loss for the year based on the estimated useful life of each component. Land is not depreciated.

The estimated useful life is reviewed on an annual basis and the effects of any change in estimates are recognized prospectively.

Property and equipment items are depreciated from the date they are installed and available for use, or, in the case of internally built assets, on the date construction is completed and the asset is available for use.

2.13. Intangible assets

(a) Intangible assets with finite useful lives

Stated at fair value on acquisition date. Subsequently, assets with finite useful lives are accounted for at cost, less accumulated amortization. Intangible assets are amortized on a straight-line basis, and amortization is recognized in profit or loss over the estimated useful lives of assets, as from the date they are available for use.

(b) Goodwill deriving from expected future earnings

The goodwill deriving from expected future earnings results from the subsidiary's acquisition and corresponds to the excess of (i) the consideration transferred, (ii) the amount of any noncontrolling interest in the acquiree and (iii) the fair value on the acquisition date of any previous interest in the acquiree in relation to the fair value of the identifiable net assets acquired. If the total consideration transferred, the noncontrolling interests recognized and the previously held interest measured at fair value is lower than the fair value of the acquired subsidiary's net assets, in the case of a bargain purchase, the difference is recognized directly in the statement of profit and loss.

2.14. Impairment of nonfinancial assets

Assets with indefinite useful lives, such as goodwill deriving from expected future earnings, are not subject to amortization and are annually tested to identify the need of impairment. The goodwill impairment is reviewed annually or more frequently if events or changes are identified.

Assets subject to amortization or depreciation are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts might not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of the fair value of an asset less its costs to sell or its value in use.

Nonfinancial assets that have been impaired are subsequently reviewed to determine whether a reversal of the impairment might be recognized at the balance sheet date, other than goodwill arising from a business combination, which reversal of the allowance for impairment is not permitted in accordance with the accounting practices.

No impairment losses on property and equipment items, intangible assets and goodwill reported in these individual and consolidated financial statements for the years ended December 31, 2022 and 2021 were identified and recorded.

2.15. Trade payables

Trade payables are obligations payable for goods or services acquired in the normal course of business and are recorded as current liabilities if the payment is due within the period of no more than one year. Otherwise, trade payables are recorded as noncurrent liabilities.

They are initially recognized at their original amounts, which approximate the fair values on the transaction date, and, subsequently, measured at amortized cost using the effective interest method.

2.16. Trade payables - payor risk

The Company enters into partnerships with financial institutions to facilitate administrative procedures so that suppliers advance receivables related to routine purchases, as well as to increase the Company's average payment term. In these transactions, the terms of payment to suppliers can be extended, subject to interest. The decision to adhere to this transaction is solely and exclusively of the supplier.

In situations where the payment terms are extended and interest is levied, the Company presents these transactions in a specific line item "Trade payables – payor risk" in the balance sheet. Finance costs paid by the Company are stated in cash flow from operating activities and the principal amounts paid are stated as cash flow from financing activities in the statement of cash flows.

2.17. Leases

The Group recognizes right-of-use assets and the corresponding lease liabilities in respect of all lease agreements under which it is the lessee, except for short-term leases (i.e., when the lease term is 12 months or less) or leases of low-value assets. For those leases over which no asset and liability is initially recognized, the Group recognizes operating lease payments as operating expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which the economic benefits derived from the leased assets are diminished.

Lease liabilities are initially measured at the present value of the lease payments not made at the lease commencement date, discounted by using the rate the Group uses as its incremental borrowing rate.

Lease liabilities are reported in a separate line item from the balance sheet. Lease liabilities are subsequently measured by increasing the carrying amounts to reflect interest on the lease liabilities and by reducing the carrying amounts to reflect lease payments made.

The Group remeasures lease liabilities whenever a) the lease term is changed or there is a significant event or significant change in circumstances leading to a change in the measurement for the year.

2.18. Borrowings, financing and debentures

Borrowings, financing and debentures are initially recognized at fair value, less transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the total amount payable is recognized in the statement of profit and loss during the period the borrowings remain outstanding, using the effective interest method.

Specific borrowing, financing and debenture costs directly attributable to the acquisition, construction or production of a qualifying asset that requires a substantial period of time to be ready for its intended use or sale are capitalized as part of the cost of that asset when it is probable that future economic benefits will flow to the entity and these costs can be measured reliably. Other borrowing, financing and debenture costs are recognized as expenses in the period in which they are incurred.

Borrowing costs are recorded as expenses for the period in which they are incurred. Borrowing costs comprise interest and other costs incurred by an entity related to the borrowing.

2.19. Provisions for tax, labor and civil risks

The Company is a party to lawsuits. The provision for risks is recognized for all administrative or legal proceedings for which it is probable that an outflow of resources will be required to settle the contingency and a reliable estimate can be made. The likelihood of loss includes the assessment of the available evidence, the hierarchy of laws, available case rulings, most recent court decisions, their relevance within the legal system, and the assessment made by the outside legal counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as relevant statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court decisions.

2.20. Provisions

A provision is recognized when the Company has a present legal or constructive obligation, as a result of a past event, that can be reliably estimated and it is probable an outflow of resources will be required to settle the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured by using the cash flows estimated to settle the obligation, its carrying amount corresponds to the present value of those cash flows (on which the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as asset if, and only if, reimbursement is virtually certain and the amount can be reliably measured.

2.21. Income tax and social contribution

Income tax and social contribution expenses include current and deferred taxes and are calculated based on tax laws enacted. Income tax is calculated at the rate of 15%, plus a 10% surtax on taxable income exceeding R\$240. Social contribution is calculated at the rate of 9%. The offset of tax loss carryforwards is considered in the calculation, limited to 30% of taxable income.

Current and deferred taxes are recognized in profit or loss unless they are related to items recognized directly in equity or in comprehensive income. In this case, the tax is also recognized in equity or in comprehensive income.

Deferred tax liabilities correspond to income tax payable in future periods, in relation to temporary taxable differences. Deferred tax assets correspond to amounts recoverable in future periods arising from deductible differences in relation to the deferral of unused tax losses and the deferral of unused tax credits. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and derecognized to the extent that it is no longer probable that taxable income will be available to allow all or part of the deferred tax assets to be utilized.

Some Oncoclínicas Group companies calculate income tax and social contribution under the deemed income regime. Income tax and social contribution for the year are calculated on income recognized in the quarter, subject to the deemed rates thereon, according to the respective nature. In the case of Oncoclínicas Group companies, subject to the deemed income regime, the deemed rate to be applied is 8% for income tax and 12% for social contribution, and finance income must be considered in full. Upon determination of the tax basis, for income tax calculation purposes, the rates of 15% and 10% are applied on the tax basis exceeding R\$60. For social contribution purposes, the rate of 9% is applied on the tax basis.

Current income tax and social contribution are stated at their net amounts by taxpayer, in liabilities when there are amounts payable or in assets when prepaid amounts exceed the total amount due at the end of the reporting period.

2.22. Revenue recognition

(i) Services

Revenue is recognized to the extent it is probable that economic benefits will be generated to the Company when it can be reliably measured based on the services provided. Revenue from healthcare services provided is recognized when healthcare services are provided.

Net revenue is measured based on the fair value of the consideration receivable, less any discounts, rebates, and taxes or charges on sales.

The Company assesses revenue transactions in accordance with the criteria set out under the relevant standard (IFRS15/CPC47) to determine whether it is operating as principal in all its revenue arrangements. The Company manages and controls the goods and services before transferring them to the customer.

The Company periodically reviews its past losses on disallowances and the adjusted positions of trade receivables and invoices so as to appropriately estimate the recoverable amounts of its receivables.

Operating costs and expenses are recognized on an accrual basis.

(ii) Finance income

Finance income is recognized according to the time elapsed on an accrual basis using the effective interest method.

2.23. Distribution of dividends

The distribution of dividends to the Company's shareholders is recognized as a liability in Oncoclínicas Group's financial statements at the balance sheet date, pursuant to the Company's bylaws. Any amounts in excess of mandatory minimum dividends can only be accrued on the date they are approved by the shareholders at a General Meeting, pursuant to note 24.

Considering that the Parent recognizes accumulated losses, there was no distribution of dividends to shareholders as at December 31, 2022 and 2021.

2.24. Other assets and liabilities (current and noncurrent)

An asset is recognized in the balance sheet when it is probable that its future economic benefits will flow to the Group and its cost or amount can be measured reliably. A liability is recognized in the balance sheet when the Group has a present obligation to transfer funds as a result of a past event. They include the related charges, inflation adjustments or exchange rate changes incurred, when applicable. Provisions are recognized based on the best estimates of the risk involved.

Assets and liabilities are classified as current when their realization or settlement is likely to occur within the next 12 months. Otherwise, they are stated as noncurrent.

2.25. Share-based payment

Stock options

Share-based and share-settled payments for the Company's employees and executives are measured at the fair value of the equity instruments on the grant date. Fair value excludes the effect of the exercise conditions that are not based on the market.

The fair value of share-based and share-settled payments determined at the grant date is recognized on a straight-line basis as expenses over the vesting period, based on the Group's estimates of the number of equity instruments that will be vested. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that will be vested as a result of the effect of non-market based vesting conditions. The impact of the revision in relation to the original estimates, if any, is recognized in profit or loss for the period, so that the cumulative expense reflects the revised estimates.

The Company revises the classification of share-based payments between settled in cash and settled through the delivery of equity instruments, always when there is any change in circumstances and the arrangements entered into with the Company's executives. The accounting effects of these changes are recognized prospectively.

In the fourth quarter of 2021, the Company amended the virtual share granting agreement for part of the plan beneficiaries, upon mutual agreement, whereby it has agreed to anticipate the exercise of the vested virtual shares through the delivery of treasury shares with final reference value defined. These addenda to the agreement changed the settlement method of the obligations recognized, from cash to share, and established a settlement practice for these instruments.

In light of this new event, the Company adjusted the fair value of the stock options granted to all program beneficiaries, considering the development of specific estimates of the assumptions for calculation of the fair values of these instruments, including the price of the underlying share, option exercise price, risk-free interest rate, dividend rate, volatility, lifetime of the instruments, grace period. The Black & Scholes method was adopted by the Company for valuation of these instruments.

After the fair value adjustment of these instruments, the Company reclassified the amounts, up to then recognized in noncurrent liabilities, to equity based on the concepts set out in CPC 10 | IFRS 2.

Details about the fair value measurement of share-settled payments are described in note 24.

2.26. Earnings (loss) per share

Loss per share is calculated based on profit or loss for the year attributable to the Company's shareholders, using the weighted average number of common shares outstanding in the related year.

Loss per share is calculated by dividing profit or loss attributable to the holders of the Parent's common shares, after adjustment relating to the stock option plan, as disclosed in note 28.

As at December 31, 2022, the Company had financial instruments convertible into shares. These instruments were considered in the determination of diluted earnings per shares, as their effects were considered dilutive.

2.27. Adjustment to present value

Long-term monetary assets and liabilities are adjusted for inflation and, therefore, are adjusted at their present value. The adjustment to present value of short-term monetary assets and liabilities is calculated and only recognized if considered material in relation to the financial statements taken as a whole.

2.28. Segment reporting

The Group only operates in the healthcare service industry, particularly conducting oncology-related activities. Besides assessing such segment as a whole, the Company's decision makers analyze operations based on profit or loss of each unit; however, this individual analysis does not represent different operating segments. The Company does not recognize revenue deriving from customers outside the Brazilian territory.

2.29. New accounting pronouncements and interpretations effective in the year ended December 31, 2022

In the current year, the Company assessed the changes recommended by the international standards IFRS issued by the International Accounting Standards Board (IASB), which are mandatorily effective for an accounting period beginning on or after January 1, 2022. Their adoption had no impact on the disclosures or the amounts reported in these financial statements. The standards issued were as follows:

- Annual improvements to IFRS 2018-2020 cycle: in May 2020, the IASB issued the following amendments as part of the annual improvement process:
 - (i) IFRS 1/ CPC 37- First-time Adoption of International Financial Reporting Standards - simplifies the application of this standard by a subsidiary that adopts IFRS for the first time after its parent company, in relation to the measurement of accumulated foreign exchange differences.
 - (ii) IFRS 9 / CPC 48 - Financial Instruments – clarifies which rates must be included in the '10 per cent' test for the derecognition of financial liabilities.
 - (iii) IFRS 16 / CPC 06 (R2) - Leases - the amendment excludes the concept of reimbursement of leasehold improvements.

- Amendments to IFRS 3/CPC 15 (R1) - Reference to the Conceptual Framework

The amendments update IFRS 3/CPC 15(R1) so that it refers to the 2018 Conceptual Framework rather than the 1989 Framework. They also include in IFRS 3 the requirement that, for obligations within the scope of IAS 37/CPC 25 - Provisions, Contingent Liabilities and Contingent Assets, the buyer must apply IAS 37/CPC 25 to determine whether there is present obligation on the acquisition date as a result of past events. For a levy within the scope of IFRIC 21/CPC 21 - Levies, the buyer applies IFRIC 21/CPC 21 to determine whether the event that resulted in the obligation to pay the levy has occurred up to the acquisition date.

- Amendments to IAS 16 / CPC 27 – Property, Plant and Equipment -Proceeds before Intended Use - the amendments prohibit deducting from the cost of a property, plant and equipment item any proceeds from the sale of items produced before the asset is available for use. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss.
- Amendments to IAS 37/CPC 25 - Onerous Contracts - Cost of Fulfilling a Contract: In May 2020, the IASB issued this amendment to clarify that, in order to assess whether a contract is onerous or not, the cost of fulfilling the contract includes the incremental costs of fulfilling this contract and an allocation of other costs directly related to fulfilling it. This amendment is effective on January 1, 2022.

Recently issued accounting pronouncements and interpretations not yet adopted by the Company

Up to the date of approval of these financial statements, the Company did not adopt the following new and revised IFRSs already issued by the IASB, but not yet effective in 2022. Early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the CPC.

- Amendments to IFRS 10/CPC 36 (R3) and IAS 28/CPC 18 (R2) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1/CPC 26 (R1) - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1/CPC 26 (R1) and IFRS Practice Statement 2 - Disclosure of Accounting Policies

Amendments to IAS 8/CPC 23 - Definition of Accounting Estimates

- Amendments to IAS 12/CPC 32 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The Company's Management does not expect that the adoption of the standards above has an impact on the Company's financial statements in future periods.

3. CRITICAL ESTIMATES AND JUDGMENTS

Accounting estimates and judgments are revised on an ongoing basis. Revisions to accounting estimates are recognized in the year in which estimates are revised and in any future years affected.

The estimates and assumptions that present a significant risk and probably would cause a material adjustment to the carrying amount of assets and liabilities for the next year are described below:

(a) Revenue recognition

Oncoclínicas Group applies the contractual price to recognize revenue from health insurance plans, which is recognized based on the percentage of completion of the service on the balance sheet date. In general, invoices are issued when the health insurance plan approves the list of procedures previously sent for analysis. The amounts of the services provided for which billing was not yet authorized are recognized as "Unbilled revenue".

(b) Allowance for doubtful accounts and disallowances

The Group uses a provision matrix to calculate expected credit losses on trade receivables and contract assets. The allowance rates applied are based on the days in arrears. Such matrix is initially based on the Group's past default rates. Information on expected credit losses on trade receivables is disclosed in note 7.

An allowance for expected credit losses is recognized for all receivables subject to legal dispute with the customer/healthcare operator when the relevant lawsuit has been filed.

The disallowance is recognized when the health insurance plan authorizes the billing. 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.

The Group applies the 3% metrics to the total production recognized for the initial recognition of the allowance, based on the disallowance history analysis.

(c) Impairment loss - goodwill

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of the fair value less costs to sell and the value in use. The fair value less selling costs is calculated on the basis of available information on transactions involving the sale of similar assets or market prices less selling costs. The value in use is calculated under the discounted cash flow model. The cash flows arise from the 10-year budget and do not include reorganization activities to which the Company has not yet committed or significant future investments that will improve the asset base of the cash-generating unit subject to tests. The recoverable amount is sensitive to the discount rate used under the discounted cash flow method, as well as expected future cash receipts, and to the growth rate used for extrapolation purposes. The main assumptions used to determine the recoverable amount of the several cash-generating units are detailed in note 13.

(d) Realization of deferred taxes

Deferred taxes arise from tax losses and temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and derecognized to the extent that it is no longer probable that taxable income will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets that are derecognized are reviewed at the end of each reporting period and recognized to the extent that it is probable that future taxable income will be available to allow the recovery of deferred tax assets.

(e) Provisions for tax, labor and civil risks

Oncoclínicas Group recognizes provisions for tax, labor and civil risks based on the assessment of favorable outcome. Such assessment includes the analysis of available evidence, the hierarchy of laws, available case rulings, most recent court decisions and their relevance within the legal system, and the assessment made by the outside legal counsel.

(f) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet or disclosed in notes to the financial statements cannot be measured based on prices quoted in active markets, it will be measured using valuation techniques, including the discounted cash flow model. The inputs considered in these models are obtained from observable markets, when possible, or a judgment level is necessary to establish the respective fair values.

(g) Fair values of assets and liabilities assumed in business combinations

On the acquisition date, the Company measures the fair value of the assets and liabilities attributable to business combinations, as well as the noncontrolling interest in the acquiree, which is defined as "the price that would be received for the sale of an asset or paid for the transfer of a liability in a willing transaction between market participants on the measurement date".

If the initial accounting for of a business combination is incomplete by the end of the reporting period in which the combination occurred, the Group records provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period up to one year from the acquisition date, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The related judgments include the initial amounts recorded, refer to the best estimate at the reporting date, and may be subject to changes during the analysis of the acquiree's account balances, the application of Oncoclínicas Group's practices, when applicable, and in the determination of the purchase price allocation, calculation of the fair value of the assets acquired and liabilities assumed and the related effects on goodwill acquired in business combinations.

(h) Share-based payments

The share-based payment plan is measured and recognized at fair value at the respective grant dates, using the Black & Scholes model. This analysis includes the development of specific estimates of the assumptions for calculation of the fair values of these instruments, including the price of the underlying share, option exercise price, risk-free interest rate, dividend rate, volatility, lifetime of the instruments, grace period.

Management's significant judgment is required to determine the fair value of the equity instruments attributed upon granting and also in relation to the number of options expected to be exercised in the future.

Additionally, Management applied judgment in the reclassification of these instruments to equity, as mentioned in note 24.

4. BUSINESS COMBINATION

For business combinations carried out by Oncoclínicas Group, the concepts of IFRS 13 (Fair Value Measurement) and CPC 15 (Business Combinations) where fair value is defined as "the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a willing transaction between market participants on the measurement date" were applied.

The procedures adopted by the Company for the assessment, measurement and recognition of the business combination are assessed as mentioned in note 2.2.

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

In 2022

Location	Bahia	Rio de Janeiro	Goiás	Sergipe	Minas Gerais
Company	Cam and Clion Group	Microimagem Lab. de Anatomia Patológica e Citopatologia Ltda.	CTR - Centro de Trat. Radioterápico de Anápolis Ltda.	Cemise Group	Elo Medicina Diagnóstica Ltda.
Acquisition date	01/10/2022	01/20/2022	02/08/2022	03/04/2022	02/15/2022
Equity interest acquired (voting %)	100%	100%	86,69%	100%	100%
Payment on acquisition date	133,497	4,000	10,233	104,097	2,000
Share-based payment	65,277	-	-	-	-
Subscription warrant	-	-	-	-	-
Fair value adjustment – consideration in shares	-	-	-	-	-
Contingent portion	45,000	-	-	-	-
Payables for acquisition	108,842	4,802	-	34,699	-
Adjustment to fair value	14,738	-	-	-	-
Price adjustment	(1,707)	-	-	2,329	-
Adjustment to present value	(15,963)	-	-	-	-
Total consideration	349,684	8,802	10,233	141,125	2,000
Assets acquired	75,318	4,924	21,907	74,594	3,001
Cash and cash equivalents	6,059	2,270	294	9,484	88
Trade receivables	21,702	15	39	14,233	158
Inventories	1,638	-	-	1,416	-
Property and equipment	15,886	211	20,755	28,916	2,700
Right of use and leased assets	24,098	-	-	18,527	-
Intangible assets	139	-	388	470	-
Indemnifiable asset	767	540	-	-	-
Other assets acquired	5,029	1,888	431	1,548	55
Liabilities assumed	(85,656)	(3,949)	(15,572)	(54,009)	(5,756)

Location	Bahia	Rio de Janeiro	Goiás	Sergipe	Minas Gerais
Company	Cam and Clion Group	Microimagem Lab. de Anatomia Patológica e Citopatologia Ltda.	CTR - Centro de Trat. Radioterápico de Anápolis Ltda.	Cemise Group	Elo Medicina Diagnóstica Ltda.
Trade and other payables	(23,659)	(86)	(6)	(3,419)	(372)
Borrowings and financing	(12,347)	-	(9,875)	(19,230)	(3,928)
Taxes payable	(12,250)	(656)	(11)	(4,151)	(22)
Debentures	-	-	-	-	-
Leases	(24,098)	-	-	(18,967)	-
Provision for risks	(9,859)	(540)	-	(5,854)	-
Other liabilities assumed	(3,443)	(2,667)	(5,680)	(2,388)	(1,434)
Total net assets acquired	(10,338)	975	6,335	20,585	(2,755)
Noncontrolling interests	-	-	843	-	-
Excess price paid on the acquisition	360,022	7,827	4,741	120,540	4,755
Contribution to line item "Revenue" since the acquisition date	141,606	7,093	1,073	52,431	3,063
Contribution to line item profit (loss) before taxes since the acquisition date	5,980	(368)	(3,700)	3,284	(1,117)
Acquiree's revenue since the beginning of the year	141,606	7,093	1,126	63,937	3,439
Acquiree's profit (loss) before taxes since the acquisition date	5,980	(368)	(3,991)	5,471	(1,099)

In 2022

Location	Bahia	Brasília	Bahia	Bahia	
Company	Itaigara Group	Unity Group	Masto - Clínica de Mastologia da Bahia	JHSL Consultoria S.A.	Total
Acquisition date	06/24/2022	07/07/2022	09/19/2022	09/14/2022	
Equity interest acquired (voting %)	100%	100%	53%	55%	
Payment on acquisition date	62,108	554,233	590	1,300	872,058
Share-based payment	-	42,582	-	-	107,859
Subscription warrant	-	204,700	-	-	204,700
Fair value adjustment – consideration in shares	-	(21,365)	-	-	(21,365)
Contingent portion	81,423	-	-	-	126,423
Payables for acquisition	25,352	50,422	-	-	224,117
Adjustment to fair value	-	(5,458)	-	-	9,280
Price adjustment	5,434	-	-	-	6,056
Adjustment to present value	-	-	-	-	(15,963)
Total consideration	174,317	825,114	590	1,300	1,513,165
Assets acquired	80,022	263,275	1,121	3,421	527,583
Cash and cash equivalents	13,126	18,384	45	2,947	52,697
Trade receivables	30,680	129,379	161	1	196,368
Inventories	1,558	19,623	-	-	24,235
Property and equipment	14,904	61,948	51	12	145,383
Right of use and leased assets	16,925	23,374	-	-	82,924
Intangible assets	189	1,403	-	359	2,948
Indemnifiable asset	-	-	-	-	1,307
Other assets acquired	2,640	9,164	864	102	21,721
Liabilities assumed	(75,439)	(254,412)	(298)	(2,203)	(497,294)

Location	Bahia	Brasília	Bahia	Bahia	Total
Company	Itaigara Group	Unity Group	Masto - Clínica de Mastologia da Bahia	JHSL Consultoria S.A.	
Trade and other payables	(21,279)	(64,715)	(56)	(1)	(113,593)
Borrowings and financing	(15,257)	(93,257)	-	(178)	(154,072)
Taxes payable	(3,336)	(10,790)	(15)	(15)	(31,246)
Debentures	-	(45,000)	-	-	(45,000)
Leases	(16,925)	(24,970)	-	-	(84,960)
Provision for risks	(396)	-	-	-	(16,649)
Other liabilities assumed	(18,246)	(15,680)	(227)	(2,009)	(51,774)
Total net assets acquired	4,583	8,863	823	1,218	30,289
Noncontrolling interests	109	-	388	-	1,340
Excess price paid on the acquisition	169,843	816,251	155	82	1,484,216
Contribution to line item "Revenue" since the acquisition date	77,902	310,134	1,385	33	594,720
Contribution to line item profit (loss) before taxes since the acquisition date	12,495	51,612	432	(1,529)	67,089
Acquiree's revenue since the beginning of the year	134,674	568,284	4,018	137	924,314
Acquiree's profit (loss) before taxes since the acquisition date	4,765	75,144	1,131	(1,524)	85,509

Acquisitions in 2022

(a) CAM/CLION Group

The business combination transaction where subsidiary Núcleo de Oncologia da Bahia S.A. obtained control of CAM/CLION Group companies (CAM/Clion Group companies are disclosed in item “(i)” of note 2.3), occurred on January 10, 2022. The acquiree is located in Bahia, engaged in performing ambulatory activities with resources for the performance of complementary tests and provision of diagnostic imaging services.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of all companies was acquired by Núcleo de Oncologia da Bahia S.A. for R\$349,684. The consideration contemplates the contingent portion in the amount of R\$45,000, which refers to the disbursement set forth in agreement according to the attainment of financial metrics linked to the EBITDA. As part of the transaction and concurrently with the direct acquisition of 100%, CAM/CLION Group’s shareholders subscribed and paid up 1,587,588 new common shares, representing 12.15% of the voting capital of Núcleo de Oncologia da Bahia S.A., in the amount of R\$65,277, which was used to offset the purchase price due against the installment in cash to be paid by the buyer.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$360,022 was recognized as goodwill based on expected future earnings by buyer Núcleo de Oncologia da Bahia S.A. due to expected business combination synergies.

(b) Centro de Tratamento Radioterápico de Anápolis Ltda – “CTR Anápolis”

In this business combination transaction, the control of CTR Anápolis was acquired by Oncoclínica – Centro de Tratamento Oncológico S.A. (CTO) on February 8, 2022. Located in Goiás, engaged in the provision of pathological and cytopathological anatomy laboratory services.

Negotiated price

Pursuant to the purchase and sale agreement, 87% of the shares comprising the capital of CTR Anápolis was acquired by Oncoclínicas – Centro de Tratamento Oncológico S.A. (CTO) for a consideration in the amount of R\$10,233.

Noncontrolling interests were determined through the current proportional interest criterion conferred by the equity instruments in the recognized amounts of the acquiree’s identifiable net assets.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$4,741 was recognized as goodwill based on expected future earnings by buyer Oncoclínicas – Centro de Tratamento Oncológico S.A. (CTO) due to expected business combination synergies.

(c) Microimagem Laboratório de Anatomia Patológica e Citopatologia Ltda – “Microimagem”

In this business combination transaction, the control of Microimagem Laboratório de Anatomia Patológica e Citopatologia Ltda was acquired by Idengene Medicina Diagnóstica S.A. “Idengene”, on January 20, 2022. Microimagem is located in Rio de Janeiro, engaged in the provision of pathological and cytopathological anatomy laboratory services.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of Microimagem was acquired by Idengene for a consideration in the amount of R\$8,802.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$7,827 was recognized as goodwill based on expected future earnings by buyer Idengene Medicina Diagnostica S.A. due to expected business combination synergies.

(d) Cemise Group

In this business combination transaction, the control of Cemise Group, comprised of the entities disclosed in item “(ii)” of note 2.3), was acquired by Núcleo de Oncologia de Sergipe S.A (NOS) on March 4, 2022. Cemise Group is located in Sergipe, engaged in performing ambulatory activities, providing imaging diagnostic, clinical laboratory, tomography, vaccination and nuclear medicine services.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of Cemise Group was acquired by NOS for a consideration in the amount of R\$141,125.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$120,540 was recognized as goodwill based on expected future earnings by buyer NOS – Núcleo de Oncologia de Sergipe S.A. due to expected business combination synergies.

(e) ELO Medicina Diagnóstica LTDA

In this business combination transaction, the control of ELO Medicina Diagnóstica LTDA was acquired by UMC Imagem LTDA on February 15, 2022. The acquiree is located in Minas Gerais, engaged in the provision of radiology, diagnostic imaging, nuclear medicine diagnosis, diagnostic and therapeutical complementation services.

Negotiated price

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

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$4,755 was recognized as goodwill based on expected future earnings by buyer UMC Imagem LTDA. due to expected business combination synergies.

(f) Itaigara Group

This business combination transaction comprises the acquisition of the control and effective acquisition of Itaigara Group companies (Itaigara Group companies are disclosed in item “(iii)” of note 2.3), by Núcleo de Oncologia da Bahia S.A occurred on June 24, 2022. The Group is located in the state of Bahia, engaged in controlling and holding interests in and managing other companies (holdings of non-financial institutions).

Within the scope of the acquisition of equity interest, the companies entered into a call and put option for the remaining interest under a purchase and sale agreement in a shareholders’ agreement. In this option, the sellers granted to Núcleo de Oncologia da Bahia S.A. a call option for all remaining shares held by them in Itaigara Group, corresponding to 40%. Oncoclínicas Group granted to the sellers a put option also for the total shares held by the sellers, with the same exercise characteristics and conditions (term and amount). The risks and rewards associated with the shares underlying the options granted are assumed by Oncoclínicas Group and, therefore, they were considered as part of the business combination. In this regard, the purchase price allocation considered an effective interest equivalent to 100% of the capital of Itaigara Group and the present value of the exercise price comprises the consideration transferred used as a basis to measure goodwill. The estimated fair value of this contingent consideration deriving from the options granted amounts to R\$81,423. Such portion was treated as contingent consideration and, as defined by IFRS 3 / CPC 15, the amount was added to the consideration transferred.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of all companies was acquired by Núcleo de Oncologia da Bahia S.A. for a consideration in the amount of R\$174,317.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$169,843 was recognized as goodwill based on expected future earnings by buyer Núcleo de Oncologia da Bahia S.A. due to expected business combinations synergies.

(g) Unity Participações S.A. (“Unity Group” or “Unity”)

In this business combination transaction, the control of Unity Participações S.A was acquired by Oncoclínicas do Brasil Serviços Médicos S.A. “Holding” on July 7, 2022. Unity is located in Brasília, Federal District.

Unity has 23 units, in five Brazilian states and the Federal District, 302 doctors serving in 91 offices and more than 100 accredited health insurance plans.

Negotiated price

Pursuant to the purchase and sale agreement, 100% of the shares comprising the capital of Unity was acquired by Holding, for a consideration in the amount of R\$825,114.

As part of the consideration transferred, on the date of signature of the closing instruments for the purchase and sale transaction, Oncoclínicas issued 7,827,594 common shares, at the par value of R\$5.44, amount relating to the price of Oncoclínicas share, on the closing of the session prior to the issuance, totaling a capital increase in the amount of R\$42,582.

Also, on the same date, Oncoclínicas subscribed a subscription warrant with the prerogative of subscribing up to 37,628,703 common shares, at the maximum price of R\$5.44, an amount relating to the price of Oncoclínicas share, on the closing of the prior session prior, totaling an amount of R\$204,700, in three distinct tranches with exercise price of R\$1.00 for each one of the tranches. The subscription warrants can be exercised, in one or more times, partially or fully, upon payment of the exercise price and the fair value of the subscription warrants was estimated using the Black and Scholes option pricing model.

For the purposes of the business combination, the fair value of the shares mentioned above, was considered in the unit amount of R\$4.97 which correspond to Oncoclínicas share price on the closing of the acquisition date. The difference between the fair value and corporate acts was recognized in the company's equity as transactions between shareholders in the amount of R\$21,365.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$816,251 was recognized as goodwill based on expected future earnings by buyer Oncoclínicas do Brasil Serviços Médicos S.A. due to expected business combination synergies.

(h) Masto - Clínica de Mastologia da Bahia S.A. – “Núcleo da Mama”

Refers to the business combination, where the control of Clínica de Mastologia da Bahia S.A. was acquired by Núcleo de Oncologia da Bahia S.A., on September 19, 2022. The acquiree is located in Bahia, in the city of Salvador, engaged in the provision of ambulatory services restricted to consultations.

Negotiated price

Pursuant to the purchase and sale agreement, 52.80% of the shares comprising the capital of Núcleo da Mama was acquired by Núcleo de Oncologia da Bahia S.A. for a consideration in the amount of R\$590. Noncontrolling interests were determined through the current proportional interest criterion conferred by the equity instruments in the recognized amounts of the acquiree's identifiable net assets.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$155 was recognized as goodwill based on expected future earnings by buyer Núcleo de Oncologia da Bahia S.A. due to expected business combination synergies.

(i) JHSL Consultoria S.A. “Meu Médico”

Refers to the business combination, where the control of JHSL Consultoria S.A. was acquired by Oncoclínicas do Brasil Serviços Médicos S.A., on September 14, 2022. The acquiree is located in Bahia, in the city of Salvador.

Negotiated price

Pursuant to the purchase and sale agreement, 55.46% of the shares comprising the capital of JHSL Consultoria S.A. was acquired by Oncoclínicas for a consideration in the amount of R\$1,300.

Noncontrolling interests were determined through the current proportional interest criterion conferred by the equity instruments in the recognized amounts of the acquiree's identifiable net assets.

Goodwill from the business combination

For the purposes of this business combination, the amount of R\$82 was recognized as goodwill based on expected future earnings by buyer Oncoclínicas due to expected business combination synergies.

The initial recognition of goodwill arising on the acquisitions of Itaigara Group, Unity, JHSL Consultoria S.A. and Núcleo da Mama was made on provisional basis, based on the information available up to the end of the reporting period. As regards other companies acquired in the year, the Company carried out the final purchase price allocation and the changes between the preliminary allocation disclosed in the interim financial information are disclosed below.

The Company is gathering the information necessary for the determination of the final amount within the period prescribed in IFRS 3. Trade receivables, property and equipment, operating leases, contingencies and the amounts of the consideration transferred may significantly impact such determination due to the alignment of the acquirees' accounting practices with those of the Company, which is still in progress.

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

Changes in acquisitions made in 2021

During 2022, the Company completed the final Purchase Price Allocation (PPA) of acquirees CTR Centro de Tratamento Radioterápico Ltda (CTR Bueno), Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda (Cebrom) and Complexo Hospitalar Uberlândia S.A. (UMC), for final recognition of goodwill.

As part of this year, the balances initially recognized were subject to changes considered immaterial by the Company, when compared to the analyses performed. According, the information disclosed in the financial statements for the year ended December 31, 2021 have been restated.

The changes are explained below:

a) CTR Centro de Tratamento Radioterápico Ltda (CTR Bueno)

The impacts of the review of the purchase price allocation resulted in an increase of goodwill of R\$532, arising from the price adjustment set forth in the purchase and sale agreement in the amount of R\$3,986, fair value adjustment to the consideration in the total amount of R\$1,372 and surplus of property and equipment in the total amount of R\$2,378. Due to the changes made in total net assets acquired and liabilities assumed, the noncontrolling interests increased by R\$296, based on the proportional interest criterion of net assets.

The purchase price allocation and goodwill measurement based on expected future earnings on the acquisition of interest were as follows:

	<u>Previously stated</u>	<u>Balance as at 12/31/2022</u>
Consideration transferred	56,622	59,236
Surplus of property and equipment	2,237	4,615
Total assets acquired and liabilities assumed	3,346	5,428
Noncontrolling interests	<u>(475)</u>	<u>(771)</u>
Goodwill	<u>53,276</u>	<u>53,808</u>

b) Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda (CEBROM)

The impacts of the review of the purchase price allocation resulted in a decrease of goodwill of R\$15,449, arising from the price adjustment set forth in the purchase and sale agreement in the amount of R\$1,487, fair value adjustment to the consideration in the total amount of R\$4,556 and to conform revenue recognition to the Group's practices, upon recognition of R\$21,005 as trade receivables and respective taxes payable in the amount of R\$8,625.

The purchase price allocation and goodwill measurement based on expected future earnings on the acquisition of interest in Cebrom were as follows:

	Previously stated	Balance as at 12/31/2022
Consideration transferred	188,001	184,932
Trade receivables	5,023	26,028
Taxes payable	591	9,216
Total assets acquired and liabilities assumed	<u>1,452</u>	<u>13,832</u>
Goodwill	<u>186,549</u>	<u>171,100</u>

c) Complexo Hospital Uberlândia S.A. (UMC)

The impacts of the review of the purchase price allocation resulted in a decrease of goodwill of R\$3,399, arising from the adjustment at negative fair value relating to the adjustment of the consideration in the total amount of R\$10,172. To conform revenue recognition to the Group's practices, the amount of R\$6,347 was recorded as allowance for expected credit losses and also the taxes payable due to the revenue in the amount of R\$805.

The purchase price allocation and goodwill measurement based on expected future earnings on the acquisition of interest in Complexo Hospital Uberlândia S.A. (UMC) were as follows:

	Previously stated	Balance as at 12/31/2022
Consideration transferred	351,571	341,399
Trade receivables	41,206	34,859
Taxes payable	11,868	12,673
Total assets acquired and liabilities assumed	<u>27,298</u>	<u>20,525</u>
Goodwill	<u>324,273</u>	<u>320,874</u>

Changes in acquisitions made in 2022

During 2022, the Company completed the final purchase price allocation (PPA) of acquirees Microlimagem, CTR Anápolis, Cemise Group and CAM/CLION Group.

The changes in the balances are as follows:

i. Microimagem Laboratório de Anatomia Patológica e Citopatologia Ltda – “Microimagem”

The impacts of the review of the purchase price allocation resulted in an increase of goodwill acquired in business combination in the amount of R\$3,666 arising from consideration price adjustment of R\$802 and other payables in the amount of R\$2,864.

	<u>Balance as at 03/31/2022</u>	<u>Balance as at 12/31/2022</u>
Consideration offered	8,000	8,802
Total assets acquired and liabilities assumed	<u>3,839</u>	<u>975</u>
Goodwill	<u>4,161</u>	<u>7,827</u>

ii. Centro de Tratamento Radioterápico de Anápolis Ltda. – “CTR Anápolis”

The impacts of the review of the purchase price allocation resulted in an increase of goodwill acquired in business combination in the amount of R\$1,331 arising from property deficit adjustment of R\$843.

	<u>Balance as at 03/31/2022</u>	<u>Balance as at 12/31/2022</u>
Consideration offered	10,233	10,233
Total assets acquired and liabilities assumed	<u>6,335</u>	<u>5,492</u>
Goodwill	<u>3,898</u>	<u>4,741</u>

iii. Cemise Group

The impact of the review of the purchase price allocation resulted in a decrease of goodwill arising from business combination in the amount of R\$4,996, arising from adjustments to trade receivables in the amount of R\$11,121 and R\$1,416 to taxes payable, an impact to conform revenue recognition to the Group’s practices. Also, the amount of R\$5,763 was recognized in provision for contingencies.

	<u>Balance as at 09/30/2022</u>	<u>Balance as at 12/31/2022</u>
Consideration transferred	141,125	141,125
Trade receivables	3,112	14,233
Taxes payable	2192	4,151
Provision for contingencies	90	5,854
Total assets acquired and liabilities assumed	<u>15,591</u>	<u>20,585</u>
Goodwill	<u>125,534</u>	<u>120,540</u>

iv. CAM/CLION Group

The impact of the review of the purchase price allocation resulted in an increase of goodwill acquired in business combination in the amount of R\$504 arising from price adjustment.

	<u>Balance as at 09/30/2022</u>	<u>Balance as at 12/31/2022</u>
Consideration transferred	349,180	349,684
Total assets acquired and liabilities assumed	<u>(10,337)</u>	<u>(10,337)</u>
Goodwill	<u>359,517</u>	<u>360,021</u>

As part of this year, the Company made certain changes in the opening balances disclosed in the 2022 interim financial information and, based on an internal analysis, it understood that the amounts changed are immaterial and not misstated. Accordingly, the information disclosed in the interim financial information for June 30 and September 30, 2022 will not be restated.

Currently, the impacts arising from this review are:

(a) Itaigara Group

The impact of the preliminary review of the purchase price allocation resulted in an increase of goodwill arising from business combination in the amount of R\$34,963, arising from adjustments to trade receivables, recognition of allowance for doubtful accounts in the amount of R\$3,629 and corresponding adjustment to taxes payable, and the impact is to conform revenue recognition to the Group's practices. Additionally, a fair value adjustment to the option consideration and price adjustment were carried out in the amount of R\$30,477.

	<u>Balance as at 09/30/2022</u>	<u>Balance as at 12/31/2022</u>
Consideration transferred	143,840	174,317
Trade receivables	34,309	30,680
Taxes payable	1,555	3,336
Total assets acquired and liabilities assumed	<u>8,960</u>	<u>4,583</u>
Goodwill	<u>134,880</u>	<u>169,843</u>

(b) Unity Group

The impact of the preliminary review of the purchase price allocation resulted in a decrease of goodwill acquired in business combination in the amount of R\$1,154.

	<u>Balance as at 09/30/2022</u>	<u>Balance as at 12/31/2022</u>
Consideration transferred	825,115	825,115
Total assets acquired and liabilities assumed	<u>10,017</u>	<u>8,863</u>
Goodwill	<u>815,098</u>	<u>816,252</u>

5. CASH AND CASH EQUIVALENTS

	<u>Parent</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash and banks	698	377	45,649	48,587
Short-term investments	<u>79,233</u>	<u>398,059</u>	<u>217,559</u>	<u>488,251</u>
Total cash and cash equivalents	<u>79,931</u>	<u>398,436</u>	<u>263,208</u>	<u>536,838</u>

Short-term investments are mainly represented by Bank Deposit Certificates (CDBs) yielding interest corresponding to rates of up to 100.16% as at December 31, 2022 (100.69% as at December 31, 2021) of the Interbank Deposit Certificate (CDI) rate, highly liquid.

6. SECURITIES AND OTHER FINANCIAL ASSETS

	Parent		Consolidated	
	2022	2021	2022	2021
Fixed-income short-term investments	594,116	149,305	841,738	1,513,799
Total	<u>594,116</u>	<u>149,305</u>	<u>841,738</u>	<u>1,513,799</u>
Current (i)	593,351	148,800	829,594	1,477,914
Noncurrent (ii)	765	505	12,144	35,885

(i) The short-term investments refer to investments in highly liquid fixed-income securities but which, however, do not meet all criteria for classification as cash and cash equivalents.

(ii) The long-term investments mainly derive from fixed-income investment fund units.

Investments yield interest of approximately 91.63% of the CDI rate as at December 2022 (87% of the CDI rate as at December 31, 2021).

7. TRADE RECEIVABLES

	Parent		Consolidated	
	2022	2021	2022	2021
Trade receivables	13,811	12,496	698,389	305,054
Unbilled revenues	24,387	22,560	834,360	406,119
Total trade receivables and unbilled revenues	<u>38,198</u>	<u>35,056</u>	<u>1,532,749</u>	<u>711,173</u>
Allowance for expected credit losses (ECL)	(3,865)	(3,721)	(123,245)	(23,827)
Provision for disallowance	<u>(1,071)</u>	<u>(1,820)</u>	<u>(29,890)</u>	<u>(21,195)</u>
	<u>33,262</u>	<u>29,515</u>	<u>1,379,614</u>	<u>666,151</u>

Trade receivables are denominated in Brazilian reais and refer mainly to healthcare services provided to health insurance plans, which average days sales outstanding is 98 days as at December 31, 2022 (79 days as at December 31, 2021).

The increase in the balance is mainly represented by the Company's organic growth and new acquisitions, corresponding to approximately 80% of the increase, and default and change in the period of collection, corresponding to approximately 20% of the increase in the balance.

The aging list of trade receivables is as follows:

	Parent		Consolidated	
	2022	2021	2022	2021
Current	31,405	27,220	1,206,496	551,416
Up to 30 days past-due	1,191	1,739	131,597	60,150
Up to 60 days past-due	274	338	86,155	24,669
Up to 90 days past-due	682	1,322	59,678	28,625
91 to 180 days past-due	762	643	32,201	30,577
Over 180 days past-due	3,884	3,794	16,622	15,736
	<u>38,198</u>	<u>35,056</u>	<u>1,532,749</u>	<u>711,173</u>

The variations in the allowance for expected credit losses and provision for disallowance are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2020	(12,977)	(69,120)
Reversal	12,816	106,639
Recognition	<u>(5,380)</u>	<u>(82,541)</u>
Balance as at December 31, 2021	<u>(5,541)</u>	<u>(45,022)</u>
Reversal	6,487	123,595
Recognition	(5,882)	(165,730)
New acquisitions	-	(65,978)
Balance as at December 31, 2022	<u>(4,936)</u>	<u>(153,135)</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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Medicines	7,705	3,743	122,002	45,499
Material and Personal Protective Equipment (PPE)	9,355	9,345	41,935	23,832
Advance	-	-	-	79
Total	<u>17,060</u>	<u>13,088</u>	<u>163,937</u>	<u>69,410</u>

Inventories refer mainly to medicines used in chemotherapeutic procedures. There is no allowance for inventory losses and guarantees, considering an average turnover period of approximately 40 days as at December 31, 2022 (36 days as at December 31, 2021). Additionally, there are no guarantees provided and/or restrictions on the full use of inventories.

9. RECOVERABLE TAXES

Recoverable taxes are broken down as follows:

	<u>Parent</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Income tax (IRPJ) and Social contribution (CSLL)	12,171	11,979	38,908	11,043
Withholding income tax (IRRF) and withholding social contribution (CSLL)	15,933	10,274	31,412	48,849
Withholding taxes on revenue (PIS and COFINS)	2,714	2,453	49,278	34,398
Service tax (ISSQN)	-	-	410	1,893
Payroll taxes	18,245	-	16,940	-
Other taxes	3,899	32	5,654	448
	<u>52,962</u>	<u>24,738</u>	<u>142,602</u>	<u>96,631</u>

10. OTHER ASSETS

	Parent		Consolidated	
	2022	2021	2022	2021
Advances to suppliers	10,146	3,326	23,408	5,193
PERT under consolidation – see note 20	-	-	1,064	1,064
Disposal of equity interests (b)	19,615	18,753	21,738	20,546
Indemnifying asset (c)	-	-	35,481	34,541
Machinery lease	5,232	3,649	2,116	1,285
Sundry advances (a)	-	572	24,487	24,597
Prepaid expenses	4,662	3,473	6,830	5,222
Other	4,515	253	12,104	9,202
	<u>44,170</u>	<u>30,026</u>	<u>127,228</u>	<u>101,650</u>
Current	21,602	11,714	47,874	24,285
Noncurrent	22,568	18,312	79,354	77,365

- a) Includes the amount of R\$13,500, which was paid in advance for the beginning of the works, pursuant to the agreement entered into in May 2021, under Built To Suit regime, between Hymalaia Empreendimentos Imobiliários S.A. (Lessor) and Oncoclínicas – Centro Tratamento Oncológico S.A. (CTO) (Lessee). The purpose of this agreement is the development of a mixed-use real estate project planned with the integration of spaces for health, shopping mall, residential and other buildings, 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 according to the model and approval of the lessee for subsequent use and operation by the Company. The Lease term will start on the date of delivery of the property in conditions of use with a term of 30 (thirty) years.

The project is still in progress, and the recognition criteria prescribed by IFRS 16 (CPC 06) were not yet met.

- b) Refers to purchase and sale transactions between the Company, its subsidiaries and third parties. Balances are adjusted based on the CDI + IPCA and mature up to 2030.
- c) Includes amounts deriving from events indemnifiable by the former controlling shareholders of entities acquired by the Group.

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

- a) Breakdown

Description	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Investments	1,434,775	616,134	22,222	1,386
Goodwill (i)	974,465	-	-	-
Call options (ii)	15,884	106,234	-	-
Total	<u>2,425,124</u>	<u>722,368</u>	<u>22,222</u>	<u>1,386</u>

- (i) Refers to the goodwill arising on business combinations carried out by the Parent.
- (ii) Refers to call options granted by the noncontrolling shareholders to Núcleo de Oncologia da Bahia S.A. as shown in note 21.

Variations in investments are as follows:

Companies	12/31/2021	Profit distribution (vi)	Share of profit (loss) of subsidiaries	Changes in equity interest (ii)	New acquisitions (i)	Foreign exchange fluctuation	Corporate reorganization (iii)	Capital increase (v)	Other transactions with shareholders (iv)	12/31/2022
Chemotherapy	59,311	(23,106)	83,835	(17,646)	8,863	-	(18,529)	160,405	11,499	264,632
Radiotherapy	14,461	(22)	4,677	-	-	-	-	2,569	3	21,688
Precision medicine	76,486	-	(25,915)	-	-	(1,594)	-	101,639	-	150,616
Vehicle entities	411,436	(20,873)	61,224	49,216	1,218	12	(31,117)	437,069	(3,049)	905,135
Other	28,242	-	12,601	-	-	-	-	26,038	(1,232)	65,649
Total	589,936	(44,001)	136,422	31,570	10,081	(1,582)	(49,646)	727,719	7,221	1,407,720
Investments	616,134									1,434,775
Equity deficit	(26,199)									(27,055)

Companies	12/31/2020	Profit distribution	Share of profit (loss) of subsidiaries	Changes in equity interest (ii)	Corporate restructuring (iii)	Transfer	Foreign exchange fluctuation	Capital increase (v)	Other	12/31/2021
Chemotherapy	110,601	(23,558)	48,211	(6,935)	(5,979)	(63,101)	-	-	73	59,311
Radiotherapy	13,942	(308)	656	171	-	-	-	-	-	14,461
Precision medicine	8,449	-	(30,555)	-	79,566	-	809	18,217	-	76,486
Vehicle entities	475,067	(26,329)	28,713	(239,348)	(44,206)	63,101	-	156,489	(2,051)	411,436
Other	27,836	-	(15,234)	15,640	-	-	-	-	-	28,242
Total	635,895	(50,195)	31,791	(230,472)	29,381	-	809	174,706	(1,978)	589,936
Investments	637,698									616,134
Equity deficit	(1,803)									(26,199)

(i) New acquisitions

During the year ended December 31, 2022, Parent Oncoclínicas has acquired shares corresponding to 55% stake in JHSL Consultoria S.A, assuming its control and resulting in an acquisition of investment of R\$1,218, as shown in note 4.

The amount of R\$8,863 refers to the acquisition of 100% of the shares of Unity Group in July 2022, as shown in note 4.

Other acquisitions were carried out by Oncoclínicas Group subsidiaries and, therefore, are not disclosed in this note.

(ii) Changes in equity interest

On January 10, 2022, Oncoclínica – Centro de Tratamento Oncológico S.A. (CTO) subscribed shares of Núcleo de Oncologia da Bahia, and started to hold 48.17% of its capital. As a result of this transaction, Centro de Mineiro de Infusões S.A. (Oncoclínicas' subsidiary) and noncontrolling shareholders diluted their equity interests. The amount of R\$4,703 reflects the consolidated effect of the transaction, which was recognized as a contra entry to equity, in transactions between shareholders.

On October 3, de 2022, subsidiary Andromeda Participações Ltda sold 15% of the capital of Instituto Materno Infantil de Minas Gerais S.A. to Unimed Belo Horizonte Cooperativa de Trabalho Médico. As part of the transaction, Unimed increased capital and recognized a reserve in the amount of R\$31,608, resulting in a gain for the Company of R\$26,867, which was recognized as a contra entry to equity, in transactions between shareholders.

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

The amounts involved and the accounting impacts arising from the acquisition of noncontrolling interests are as follows:

Subsidiaries	% equity interest acquired	Acquisition amount (a)	Carrying amount of noncontrolling interests (b)	Gain/loss on acquisitions accounted for in equity (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%	40,250	6,090	34,160
TOTAL		<u>282,641</u>	<u>36,529</u>	<u>246,113</u>

(a) Refers to the amount of consideration transferred for acquisition of additional interest from noncontrolling shareholders.

- (b) Refers to the carrying amount of noncontrolling interests represented by the percentage interest acquired, multiplied by the book value 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".

On December 21, 2021, the Company acquired the remaining 40% interest in Oncobio, which was held by shareholder Bioncologia de Minas Gerais S.A, and started to hold 100% of the shares. The acquisition amount was R\$41,912, and the carrying amount of the investment acquired is R\$15,640, therefore, resulting in an effect on equity in the amount of R\$26,272.

(iii) Corporate restructuring

In the 4th quarter of 2022, a Valuation Report on the Net Assets of Oncoclinica - Centro de Tratamento Oncológico S.A.(CTO) and Oncocentro Imagem e Serviços Médicos Ltda. was prepared for the purpose of supporting the partial spin-off of the net assets recognized at the amount of the investment held in Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda. (CEBROM) and Hematológica - Clínica de Hematologia S.A, respectively.

As a result of the spin-off and merger of the spun-off net assets, the effect for the consolidated refers to the recognition of deferred income tax and social contribution, as shown below.

	<u>Goodwill</u>	<u>Deferred income tax and social contribution</u>	<u>Effect</u>
Hematológica - Clínica de Hematologia S.A.	21,074	7,165	13,909
Centro Brasileiro Radiot. Oncologia Mast. Cebrom	<u>54,145</u>	<u>18,409</u>	<u>35,737</u>
Total	<u>75,219</u>	<u>25,574</u>	<u>49,646</u>

In May 2021, the Group carried out a corporate restructuring between the Parent and certain subsidiaries, consisting of the spin-off of certain investment and intangible asset balances as a contra entry to capital increase in subsidiary Idengene.

As it refers to a transaction between the Group's subsidiaries, such corporate restructuring had no effect on the Group's consolidated financial statements.

The effects on the Company's individual financial statements were as follows:

	<u>Amount</u>
<u>Spin-offs and capital increase of Idengene</u>	
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)	<u>44,201</u>

	<u>Amount</u>
<u>Spin-offs and capital decrease of Oncohematologia</u>	
Goodwill Idengene	<u>(14,820)</u>
Subtotal (2)	<u>(14,820)</u>
TOTAL	<u><u>29,381</u></u>

(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\$14,820 represents the effects of the spin-off of the goodwill in Oncohematologia to the Company.

(iv) Other transactions with shareholders

As part of the business combination carried out for the acquisition of CAM/CLION Group, the sellers entered into an investment agreement, whereby they undertake to allocate the amount of R\$65,277 for subscription and payment of 1,587,588 new common shares to be issued by Núcleo de Oncologia da Bahia S.A, representing 12.15%. The equity interest issued to the sellers, within the scope of the business combination, representing 12.15% of the capital, was measured at fair value and the subsidiary's equity was recognized in the amount of R\$14,738 and reflected in the Company's investment as a gain in the amount of R\$11,499.

In September 2022 the Company paid in capital in shareholder CTC Oncologia S.A in the amount of R\$42,512, through offset of amounts receivable from Cooperativa Unimed. The amount of R\$40,000 was allocated to capital and R\$2,512 was allocated to capital reserve. Such transaction resulted in a loss of R\$1,232 attributable to the equity of noncontrolling shareholders.

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

(v) Capital increase

Refers to the capital increase in subsidiaries through capitalization of advances for future capital increase.

(vi) Profit distribution

Dividends paid by direct subsidiaries are broken down as follows:

	<u>Parent</u>	<u>Parent</u>
	<u>2022</u>	<u>2021</u>
Centro Mineiro de Infusão S.A.	3,914	7,615
Oncoclínicas Salvador S.A.	22	308
Centro Paulista de Oncologia S.A.	4,626	12,000
Centro de Tratamento Oncológico S.A.	3,257	5,975
Oncopar Sul Empreendimentos e Participações Ltda.	6,063	3,508
Hematológica - Clínica de Hematologia S.A.	2,864	-

	Parent 2022	Parent 2021
Oncologia Participações Ltda	164	322
Instituto de Oncologia de Ribeirão Preto S.A.	43	6,615
Oncocentro Imagem Serviços Médicos Ltda.	10,732	153
Centro Brasileiro De Radioterapia Oncologia E Mastologia - Cebrom Ltda – (CEBROM)	2,062	8,267
CPO - Centro Paraibano de Oncologia S.A.	435	850
Navarra RJ Serviços Oncológicos S.A.	9,819	4,582
Total	44,001	50,195

Equity interest held in direct investees							
December 31, 2022							
Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the year	Investment amount	Profit or loss under the equity method – of direct investees
Oncoclínicas Salvador S.A.	100.00%	16,056	4,679	11,377	2,268	11,377	2,268
Oncoclínica – Centro de Tratamento Oncológico S.A. (CTO)	31.65%	1,001,569	813,437	188,132	41,737	59,538	(351)
Centro Mineiro de Infusões S.A.	69.15%	680,377	121,684	558,693	25,551	386,332	14,002
Oncocentro Imagem Serviços Médicos Ltda	91.78%	139,684	45,386	94,298	26,750	86,547	24,551
Oncopar Sul Empreendimentos e Participações Ltda.	94.81%	111,313	10,769	100,544	12,490	95,326	11,842
Oncologia Participações Ltda.	92.14%	85,538	352	85,186	2,626	78,490	2,419
CPO - Centro Paraibano de Oncologia S.A.	14.00%	35,838	23,046	12,792	7,885	1,791	1,104
Oncohematologia Participações Ltda.	99.62%	34,458	792	33,666	3,391	33,537	3,378
Oncobio Serviços de Saúde S.A.	100.00%	109,795	35,025	74,770	11,174	74,770	11,174
Instituto de Oncologia de Ribeirão Preto S.A.	4.50%	15,461	8,205	7,256	3,845	327	173
Radioterapia Oncoclínicas São Paulo Ltda.	98.90%	15,217	12,880	2,337	1,604	2,311	1,587
Centro Excelência de RT do Rio de Janeiro S.A.	50.00%	12,091	1,560	10,531	651	5,266	326
Radioterapia Oncoclínicas Recife S.A.	7.00%	55,126	26,211	28,915	7,270	2,024	509
CGS Faria Lima	99.90%	4,008	1,107	2,901	1,621	2,898	1,619
Idengene Medicina Diagnóstica S.A.	92.78%	256,080	97,436	158,644	(25,236)	147,189	(25,915)
Oncoclínicas Participação SP Ltda.	45.79%	93,628	368	93,260	12,740	42,704	5,833
Oncoclínicas Participações ES RJ Ltda.	99.99%	63,883	1,330	62,553	11,288	62,547	7,573
Navarra RJ (Leste Fluminense S.A.)	45.43%	160,272	79,561	80,711	32,239	36,667	15,075
Cruz Participações Ltda (Talassa Participações S.A.)	28.58%	67,605	36,552	31,053	(2,827)	8,875	(808)
CTC Oncologia S.A.	50%	235,299	24	235,275	(2,236)	117,638	(1,118)
Hematológica - Clínica de Hematologia S.A.	100%	60,316	39,770	20,546	9,148	20,546	3,422
Locus Anat. Patol. e Citologia Ltda.	10.78%	7,556	2,635	4,921	(3,320)	531	94
Talia Participações Ltda.	99.90%	18	6	12	(7)	12	(7)
Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda.	100%	158,249	65,051	93,198	16,698	29,497	4,463
Unity Participações S.A.	100%	340,579	212,656	127,923	40,597	128,035	40,445
Total investment		3,760,016	1,640,522	2,119,494	237,947	1,434,775	123,658

Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the year	Investment amount	Profit or loss under the equity method – of direct investees
Centro Paulista de Oncologia S.A.	99.50%	943,170	947,751	(4,581)	17,137	(3,801)	19,504
Radioterapia Oncoclínicas Salvador Ltda.	99.00%	5	13	(8)	(9)	(8)	(9)
Radioterapia Oncoclínicas Ribeirão Preto Ltda.	99.00%	9	30	(21)	(4)	(21)	(4)
Pontus Participações Ltda.	50.01%	9,120	54,091	(44,971)	(11,141)	(22,490)	(5,572)
COTE – Centro Oncológico e Tratamento	100%	1,028	1,307	(279)	(279)	(279)	(279)
JHSL Consultoria S.A.	55.46%	1,529	2,352	(823)	(1,581)	(456)	(877)
Total equity deficit		<u>954.861</u>	<u>1,005,544</u>	<u>(50,683)</u>	<u>4,123</u>	<u>(27,055)</u>	<u>12,764</u>
Total direct investments		<u>4.714.877</u>	<u>2,646,066</u>	<u>2,068,811</u>	<u>242,070</u>	<u>1,407,720</u>	<u>136,422</u>

Equity interest held in direct investees

December 31, 2021

Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the year	Investment amount	Profit or loss under the equity method – of direct investees
Centro Mineiro de Infusões S.A.	58.80%	427,848	397,216	30,532	20,003	17,945	14,260
Oncoclínicas Salvador S.A.	100.00%	14,022	4,892	9,130	1,600	9,130	1,600
Centro Paulista de Oncologia Oncopar Sul Empreendimentos e Participações Ltda.	99.50%	940,535	907,431	33,104	13,302	32,878	13,235
Oncologia Participações Ltda.	94.81%	103,062	11,408	91,654	7,317	86,832	6,916
Oncologia Participações Ltda.	92.13%	83,447	331	83,116	2,167	76,566	2,028
Radioterapia Oncoclínicas Recife S.A.	7.00%	48,700	41,045	7,654	(4,983)	536	(348)
Centro Excelência de RT do Rio de Janeiro S.A.	50.00%	11,175	1,298	9,877	(2,422)	4,938	(1,211)
Oncoclínicas Participação SP Ltda.	45.78%	80,466	-	80,466	5,427	36,837	4,303
Oncobio Serviços de Saúde S.A.	100.00%	88,688	52,063	36,626	(23,701)	36,626	(15,210)
Instituto de Oncologia de Ribeirão Preto S.A.	4.50%	9,685	5,312	4,373	3,220	197	145
Oncocentro Imagem Serviços Médicos Ltda.	90.85%	159,436	64,983	94,453	13,587	85,514	12,440
CPO - Centro Paraibano de Oncologia S.A.	14.00%	18,561	10,551	8,010	6,374	1,121	892
Idengene Medicina Diagnóstica S.A.	99.76%	138,821	62,157	76,664	(30,233)	76,480	(28,047)
Navarra RJ (Leste Fluminense S.A.)	45.43%	112,422	40,220	68,222	21,289	31,012	9,672
Oncoclínica – Centro de Tratamento Oncológico S.A.	100.00%	1,059,304	1,053,992	5,312	25,159	5,313	25,159
Oncoclínicas Participações ES RJ Ltda.	99.99%	54,982	29,235	25,747	8,717	25,746	8,718
Cruz Participações Ltda (Talassa Participações S.A)	28.58%	53,447	19,568	33,879	(1,112)	9,684	(318)
CGS Faria Lima	99.99%	3,020	1,740	1,280	(24)	1,279	(24)
CTC Oncologia S.A.	39.74%	235,020	40,021	194,999	(1)	77,500	-
Total investment		<u>3,642,661</u>	<u>2,747,563</u>	<u>895,098</u>	<u>65,686</u>	<u>616,134</u>	<u>54,210</u>

Company	Equity interest	Total assets	Total liabilities	Equity	Profit or loss for the year	Investment amount	Profit or loss under the equity method – of direct investees
Boston Lighthouse Innovations Inc.	90.28%	7,522	11,178	(3,656)	(13,628)	-	(1,574)
Oncohematologia Participações Ltda.	99.17%	33,690	42,157	(8,466)	326	(8,396)	323
Radioterapia Oncoclínicas São Paulo Ltda.	99.00%	11,426	12,294	(868)	(273)	(859)	(270)
Radioterapia Oncoclínicas Salvador Ltda.	100.00%	-	5	(5)	1	(5)	1
Radioterapia Oncoclínicas Ribeirão Preto Ltda.	99.00%	12	30	(18)	(8)	(18)	(7)
Pontus Participações Ltda.	50.01%	8,398	42,228	(33,830)	(39,950)	(16,920)	(19,979)
Locus Anat. Patol. e Citologia Ltda.	100.00%	5,433	5,692	(259)	(5,126)	-	(913)
Total equity deficit		<u>66.481</u>	<u>113,584</u>	<u>(47,102)</u>	<u>(58,658)</u>	<u>(26,198)</u>	<u>(22,419)</u>
Total direct investments		<u>3.709.142</u>	<u>2,861,147</u>	<u>847,996</u>	<u>7,028</u>	<u>589,936</u>	<u>31,791</u>

12. PROPERTY AND EQUIPMENT

Description	Annual depreciation rates	Parent			
		2022		2021	
		Cost	Accumulated depreciation	Balance	Balance
Machinery and equipment	10%	48,859	(16,162)	32,697	36,896
Facilities	10%	559	(358)	201	254
Furniture and fixtures	10%	3,588	(1,997)	1,591	1,923
Computers and peripherals	20%	9,855	(4,965)	4,890	3,315
Leasehold improvements	10%	20,189	(9,041)	11,148	12,846
Advance for property and equipment	-	-	-	-	1,232
Land	-	986	-	986	986
Construction in progress	-	4,560	-	4,560	3,840
Total		<u>88,596</u>	<u>(32,523)</u>	<u>56,073</u>	<u>61,293</u>

Description	Annual depreciation rates	Consolidated			
		2022		2021	
		Cost	Accumulated depreciation	Balance	Balance
Machinery and equipment	8%	408,925	(184,960)	223,965	169,823
Facilities	10%	13,631	(7,197)	6,434	6,162
Furniture and fixtures	10%	112,368	(60,062)	52,306	19,692
Computers and peripherals	20%	54,170	(31,534)	22,636	16,967
Leasehold improvements	10%	423,807	(116,976)	306,831	229,480
Company cars	25%	714	(629)	87	-
Land	-	4,954	-	4,954	2,044
Advances for purchase of property and equipment	-	-	-	-	1,514
Construction in progress	-	89,571	-	89,571	32,323
Total		<u>1,108,140</u>	<u>(401,357)</u>	<u>706,783</u>	<u>477,916</u>

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

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

Parent	Machinery and equipment	Facilities	Furniture and fixtures	Computers and peripherals	Leasehold improvements	Construction in progress	Advance	Land	Total
Balance as at December 31, 2020	50,392	306	2,200	2,330	8,747	61	-	986	65,022
Purchases	276	2	102	2,166	2,625	1,013	1,232	-	7,416
Depreciation	(5,549)	(52)	(381)	(1,175)	(2,382)	-	-	-	(9,539)
Write-offs	(141)	-	(1)	(15)	-	-	-	-	(157)
Transfers	(8,081)	(2)	3	9	3,856	2,766	-	-	(1,449)
Balance as at December 31, 2021	<u>36,897</u>	<u>254</u>	<u>1,923</u>	<u>3,315</u>	<u>12,846</u>	<u>3,840</u>	<u>1,232</u>	<u>986</u>	<u>61,293</u>
Purchases	290	-	53	2,021	162	720	-	-	3,246
Depreciation	(4,490)	(52)	(379)	(1,678)	(1,862)	-	-	-	(8,461)
Write-offs	-	-	(5)	-	-	-	-	-	(5)
Transfers	-	-	-	1,232	-	-	(1,232)	-	-
Balance as at December 31, 2022	<u><u>32,697</u></u>	<u><u>202</u></u>	<u><u>1,592</u></u>	<u><u>4,890</u></u>	<u><u>11,146</u></u>	<u><u>4,560</u></u>	<u><u>-</u></u>	<u><u>986</u></u>	<u><u>56,073</u></u>

Consolidated	Machinery and equipment	Facilities	Furniture and fixtures	Computers and peripherals	Leasehold improvements	Company cars	Land	Advance	Construction in progress	Total
Balance as at December 31, 2020	131,166	12,187	15,895	10,362	178,759	26	1,564	-	53,334	403,293
New companies	38,989	3	3,745	2,279	26,134	-	480	-	-	71,630
Purchases	16,534	190	3,145	8,866	14,189	32	-	1,514	24,439	68,909
Depreciation	(24,576)	(1,196)	(2,037)	(4,684)	(26,797)	(58)	-	-	-	(59,348)
Write-offs	(379)	-	(253)	(64)	(404)	-	-	-	-	(1,100)
Transfers	8,089	(5,022)	(893)	208	37,600	-	-	-	(45,450)	(5,468)
Balance as at December 31, 2021	169,823	6,162	19,602	16,967	229,481	-	2,044	1,514	32,323	477,916
New companies	44,553	1,205	36,123	2,993	40,761	95	2,368	-	17,285	145,383
Purchases	45,691	20	1,124	9,965	39,476	-	543	-	52,997	149,816
Depreciation	(35,324)	(1,012)	(4,521)	(7,154)	(16,352)	(8)	-	-	-	(64,371)
Write-offs	(2,282)	(8)	(169)	(135)	135	-	-	-	500	(1,960)
Transfers	1,504	67	147	-	13,330	-	-	(1,514)	(13,534)	-
Balance as at December 31, 2022	<u>223,965</u>	<u>6,434</u>	<u>52,306</u>	<u>22,636</u>	<u>306,831</u>	<u>87</u>	<u>4,955</u>	<u>-</u>	<u>89,571</u>	<u>706,783</u>

The Company tests cash-generating units for impairment and for the year ended December 31, 2022 there was no need to recognize an allowance for asset impairment.

13. INTANGIBLE ASSETS

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

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

Description	Annual amortization rates	Parent			
		2022		2021	
		Cost	Accumulated amortization	Balance	Balance
Systems and applications	20%	22,031	(12,307)	9,724	3,739
Software and project development	-	52,136	-	52,136	34,342
Exclusivity right	20%	46,501	(22,278)	24,223	13,524
Goodwill	-	9,585	-	9,585	9,585
Partnership agreement (ii)	8,33%	77,303	(929)	76,374	-
Trademarks and patents	-	269	-	269	269
Intellectual property (i)	20%	91,290	(6,170)	85,120	8,954
Total		<u>299,115</u>	<u>(41,684)</u>	<u>257,431</u>	<u>70,413</u>

Description	Annual amortization rates	Consolidated			
		2022		2021	
		Cost	Accumulated amortization	Balance	Balance
Systems and applications	20%	74,399	(41,237)	33,162	11,296
Software and project development	-	137,452	(629)	136,823	100,569
Exclusivity right	20%	144,924	(59,837)	85,087	30,042
Goodwill on acquisition of investments	-	2,564,448	-	2,564,448	1,168,973
Partnership agreement	8,3%	1,076,710	(75,040)	1,001,670	915,560
Trademarks and patents	-	819	-	819	756
Intellectual property	20%	93,625	(6,170)	87,455	11,210
Total		<u>4,097,377</u>	<u>(182,913)</u>	<u>3,914,464</u>	<u>2,238,409</u>

As at December 31, 2022 and 2021, no assets 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.

	Parent							Total
	Systems and applications	Software development	Goodwill - Oncocentro	Exclusivity right	Trademarks and patents	Intellectual property	Partnership agreement	
Balance as at December 31, 2020	4,076	35,185	9,585	22,283	269	-	-	71,398
Purchases	1,717	26,547	-	-	-	-	-	28,264
Amortization	(1,867)	-	-	(8,759)	-	(406)	-	(11,032)
Corporate restructuring	-	(18,217)	-	-	-	-	-	(18,217)
Transfers	(187)	(9,173)	-	-	-	9,360	-	-
Balance as at December 31, 2021	3,739	34,342	9,585	13,524	269	8,954	-	70,413
Purchases	9,961	17,902	-	18,360	-	81,736	77,303	205,262
Amortization	(4,084)	-	-	(7,661)	-	(5,571)	(929)	(18,245)
Transfers	108	(108)	-	-	-	-	-	-
Balance as at December 31, 2022	9,724	52,136	9,585	24,223	269	85,119	76,374	257,431

	Consolidated							Total
	Systems and applications	Software development	Partnership agreements (ii)	Goodwill on acquisition of investments (iii)	Exclusivity right	Trademarks and patents	Intellectual property (i)	
Balance as at December 31, 2020	11,238	60,503	482,122	602,404	41,220	746	-	1,198,233
New companies	1,970	-	-	-	-	13	-	1,983
Purchases	3,088	49,693	450,991	564,098	4,500	-	2,254	1,031,763
Amortization	(5,265)	-	(17,553)	-	(15,678)	-	(406)	(38,902)
Foreign exchange fluctuation	-	-	-	2,471	-	-	-	2,471
Transfers	265	(9,627)	-	-	-	-	9,362	-
Balance as at December 31, 2021	11,296	100,569	915,560	1,168,973	30,042	759	11,210	2,238,409
New companies	1,843	1,046	-	-	-	60	-	2,949
Purchases	16,638	48,527	112,033	1,484,216	74,397	-	81,770	1,817,581
Amortization	(9,934)	-	(25,923)	-	(19,352)	-	(5,525)	(60,734)
Foreign exchange fluctuation	-	-	-	(2,336)	-	-	-	(2,336)
Other transactions (iii)	-	-	-	(81,405)	-	-	-	(81,405)
Transfers	13,319	(13,319)	-	-	-	-	-	-
Balance as at December 31, 2022	33,162	136,823	1,001,670	2,569,448	85,087	819	87,455	3,914,464

Main transactions in the period

- (i) During 2022, the Company recognized as intellectual property intangible asset an amount of R\$67,243, arising from the acquisition of exclusive transfer of know-how, right of use of trademark and medical protocols from partner Dana-Farber Cancer Institute. Such amount will be realized through amortization up to the end of 2030, based on the agreement term.
- (ii) On July 14, 2022, the Company entered into with Vision Med Assistência Médica Ltda (“Vision Med”) a partnership agreement, in the amount of R\$77,303, to regulate and establish the terms and conditions of the partnership between Oncoclínicas, directly or through clinics and/or associates, and Vision Med for the provision of oncological services. The companies aim at establishing a strategic partnership so that they can together serve the beneficiaries of the healthcare plans operated by Vision Med, for a period of 35 years.

Additionally, on October 3, 2022, as mentioned in note 11, Unimed Belo Horizonte Cooperativa de Trabalho Médico started to hold 15% stake in Instituto Materno Infantil de Minas Gerais S.A. making a capital contribution through customer portfolio in the amount of R\$29,057.

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 and the Company's contribution in the amount of R\$24,991, 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.

On December 23, 2021, an Asset Purchase and Sale Agreement and Other Covenants was signed between Oncoclínicas Centro de Tratamento Oncológico S.A (“CTO”) and Unimed Rio Cooperativa de Trabalho Médico do Rio de Janeiro Ltda, Unimed Rio Participações (“UNIMED RIO”), and one of CTO's subsidiaries, Centro de Excelência Oncologia S.A (“CEON”). The partnership consists of the forwarding and sending by Cooperativa RJ to Ceon of all patients who contact any medical or hospital Cooperativa RJ unit or of any of its subsidiaries looking for oncology services, so that a significant volume of patients sent on an annual basis is achieved. Under the partnership, Cooperativa RJ sells, delivers and transfers to CTO the intangible asset, and it will receive in consideration the amount of R\$166,000, of which R\$83,000 in cash as follows: i) R\$60,000 on the agreement date, R\$13,000 on February 28, 2022 and R\$10,000 on December 20, 2022. The remaining amount of R\$83,000 will be paid through transfer of 3,562,232 Ceon's common shares on the date hereof. Thereafter, CTO paid up capital in Ceon through contribution of the intangible asset acquired, maintaining the proportion of 50% interest for the Group.

On December 28, 2021, an Investment Agreement and Other Covenants was signed between the Company, Unimed Rio Cooperativa de Trabalho Médico do Rio de Janeiro Ltda, Unimed Empreendimentos Hospitalares Ltda (“UREMH”), and a subsidiary of the Company, Louro Oncologia e Participações Ltda. (currently CT Oncologia S.A) (“CTC”), to regulate the joint investment. The transaction involves a contribution to CTC, with the UREMH contribution comprising an intangible asset valued at R\$235,000 and the Company's contribution in the amount of R\$117,500, in order to operationalize CTC's activities. As part of the agreement, Unimed will redeem the amount of R\$117,500 referring to redeemable preferred shares, of which R\$77,500 on the closing date and R\$40,000 in two annual installments, adjusted by the IPCA. The purpose of the agreement is to establish a new partnership to develop a cancer treatment center, which scope will include surgical, hospitalization and therapeutical diagnosis support service procedures, as well as bone marrow or TMO transplant services to the beneficiaries of Unimed Cooperativa and/or beneficiaries of other operators being served at Hospital Unimed-Rio owned by the partnership.

- (iii) Refers mainly to the effect of goodwill net of deferred income tax, as show in note 29 b., in the amount of R\$65,339. Additionally, the Company completed the purchase price allocation of the acquisitions in 2021 and recorded a goodwill decrease of R\$18,316, as shown in note 4.

Impairment tests of goodwill deriving from expected future earnings

The Company's Management tested goodwill for impairment for each of the Cash-Generating Units (CGUs), based on the value-in-use calculation. For this reason, it has used the cash flow projections based on the financial budget approved by Management for the subsequent year and projections supported by the strategic planning of each CGU, adopting growth assumptions for revenues, costs, expenses and fixed and working capital investments for a five-year period.

The assumptions adopted were:

- Revenue: projected per CGU, taking into consideration the historical growth of procedures for these units;
- Costs and expenses: based on the historical performance and estimated revenue growth;
- Fixed and working capital investments: based on the need of replacement of fixed assets, the historical performance and also the effect of growth of profit or loss.

Cash flows after the five-year period were calculated by calculating the perpetuity, considering a constant annual growth rate of 2.5%, already considering the effect of projected inflation.

The project cash flow amounts, in the five-year period and on perpetuity, were adjusted to present value using the nominal discount rate, annually revised by the Company; the Weighted Average Cost of Capital (WACC) measured on this date is 15.39%.

For the years ended December 31, 2022 and 2021, no need to recognize an allowance for impairment of the goodwill arising on business combinations was identified.

14. RIGHT OF USE AND LEASE LIABILITY

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

	Parent
Balance as at 12/31/2020	<u>24,693</u>
Addition	1,027
Amortization	(4,921)
Balance as at 12/31/2021	<u>20,799</u>
Write-off	(6,834)
Addition	3,028
Amortization	(4,630)
Balance as at 12/31/2022	<u>12,363</u>

	Consolidated		
	Properties	Machinery and equipment	Total
Balance as at 12/31/2020	210,313	10,903	221,216
New companies	16,521		16,521
Addition	42,137	-	42,137
Amortization	(27,643)	(1,080)	(28,723)
Balance as at 12/31/2021	<u>241,329</u>	<u>9,823</u>	<u>251,151</u>
New companies	82,924		82,924
Write-off	(7,512)		(7,512)
Addition (i)	107,306		107,306
Amortization	(49,155)	(892)	(50,047)
Balance as at 12/31/2022	<u>374,891</u>	<u>8,931</u>	<u>383,822</u>

(i) Surface right: As at June 30, 2022, subsidiary NOB entered into a service agreement with Santa Casa de Misericórdia da Bahia – Hospital Santa Isabel, whereby the hospital granted to NOB, through a public deed, the real surface right, at an amount of R\$41,264, allowing the exercise of the right to fully use the area of part of the property. This agreement is effective for 30 years.

14.2. Lease liabilities

Liabilities were measured at the present value of the remaining lease payments discounted based on the average incremental rate of 14.91% p.a. as at December 31, 2022 (7.37% p.a. as at December 31, 2021).

Due to the maturity and renewal of some lease contracts, they were determined at the new monthly amount, which additional amounts were classified as addition.

	Parent	Consolidated
Balance as at 12/31/2020	26,572	233,177
New companies	-	16,522
Addition	1,027	42,137
Principal repayments	(4,454)	(25,513)
Interest payments	(2,000)	(13,731)
Interest incurred	2,064	17,080
Balance as at 12/31/2021	<u>23,209</u>	<u>269,671</u>

	<u>Parent</u>	<u>Consolidated</u>
New company	-	84,960
Write-off	(6,834)	(7,511)
Addition	3,028	107,305
Principal repayments	(5,012)	(83,979)
Interest payment	(1,603)	(28,655)
Interest incurred	1,202	27,039
Balance as at 12/31/2022	<u>13,990</u>	<u>368,830</u>
Current	4,885	64,170
Noncurrent	9,105	304,660

As at December 31, 2022, the balance is broken down as follows:

	<u>Parent</u>	<u>Consolidated</u>
2023	5,851	79,169
2024	4,723	70,669
2025	3,828	60,651
2026	1,010	47,476
2027	264	43,001
2028 and thereafter	207	365,884
Total	<u>15,883</u>	<u>666,850</u>
Embedded interest	<u>(1,893)</u>	<u>(298,020)</u>
Lease liability	<u>13,990</u>	<u>368,830</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 December 31, 2022, based on a future cash flow that incorporates the expected inflation (nominal flow).

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

	<u>Parent</u>		<u>Consolidated</u>	
	<u>IFRS 16</u>	<u>Projected inflation</u>	<u>IFRS 16</u>	<u>Projected inflation</u>
Right-of-use assets, net	12,363	13,615	383,822	447,465
Lease liability	13,990	15,443	368,830	485,639
Depreciation expenses	(4,630)	(5,196)	(50,047)	(59,575)
Finance costs	(272)	(305)	(27,039)	(32,187)

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. REVERSE FACTORING

	<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>
Reverse factoring	190,767	-
Unamortized cost	<u>(6,986)</u>	<u>-</u>
Total	<u><u>183,781</u></u>	<u><u>-</u></u>

The balance in "Reverse factoring" refers to amounts prepaid by suppliers to financial institutions, with no right of recourse, through the assignment of receivables, as a result of the agreement entered into by the Company with the financial institutions. In this transaction, suppliers can advance their receivables directly with the banks only after the delivery of the goods to the Company, subject to an average discount rate of 1.22% p.m. Accordingly, the receivables are not paid to the suppliers but rather to the financial institutions, which take into consideration the Group's credit risk.

Up to December 31, 2022 the relevant amount is R\$190,767, and the finance costs directly paid by the Company to the suppliers, in the amount of R\$6,986 were recognized in a reduction account and are allocated to finance income (costs) over the respective terms. The variations in these transactions in the year ended December 31, 2022 are as follows:

	<u>Consolidated</u>
Balance as at December 31, 2021	-
Reverse Factoring	190,767
Interest payment	(6,986)
Interest incurred	<u>-</u>
Balance as at December 31, 2022	<u><u>183,781</u></u>

As part of this transaction, the average payment period of the obligation of 90 days is extended to 180 days. There are no collaterals granted by the Group as part of this transaction, and the accelerated maturity can be declared in case of non-compliance by the Group with certain obligations assumed, including filing for bankruptcy or court-ordered recovery, among others.

The Company's Management also considered CVM SNC/SEP Circular Letter 01/2021, taking into consideration the qualitative aspects of this matter, and concluded that there are no significant impacts or significant effects on the Company's leverage.

The aging list is as follows:

	<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>
Between 31 and 90 days	<u>190,767</u>	<u>-</u>
Total	<u><u>190,767</u></u>	<u><u>-</u></u>

17. BORROWINGS AND FINANCING

Borrowings and financing are broken down as follows:

Description	Index / interest	Final maturities	Parent		Consolidated	
			2022	2021	2022	2021
Financing	IPCA+1% p.a. to IPCA+2.82% p.a. / 5% p.a. to 11.48% p.a.	04/15/2030	-	-	70,608	73,998
CCB / working capital	DI+1.9% p.a. to CDI+6.17% p.a. / 7.956% p.a. to 14.71% p.a.	05/01/2027	-	70,531	723,248	910,350
CRI (i)	CDI + 1.16% p.a. to CDI + 1.30% p.a.	08/15/2032	504,500	-	504,500	-
Law 4,131	CDI + 1.73% p.a.	08/05/2024	-	-	6,702	134,031
FINEP (ii)	TJLP + 0.5% p.a.	12/15/2031	55,121	40,118	55,121	40,118
			<u>559,621</u>	<u>110,649</u>	<u>1,360,179</u>	<u>1,158,497</u>
Current			22,316	70,623	321,580	353,370
Noncurrent			537,305	40,026	1,038,599	805,127

- (i) On September 6, 2022, the Company carried out the 1st issuance of CRI (Real Estate Receivables Certificate), which was backed by non-convertible, unsecured debentures, with additional fidejussory guarantee. 500,000 debentures with par value of R\$1,000 each were issued, in the total amount of R\$500,000.

The issuance occurred in series of three communicating vessels, as follows: (i) the first series has maturity date of August 2027; (ii) the second series has maturity date of August 2029 and (iii) the third series has maturity date of August 2032. The interest on these debentures is as follows:

- For the first series, the corresponding compensatory interest will be 100% CDI + 1.25%.
- For the second series, the corresponding compensatory interest will be IPCA + 6.50% p.a., such obligation was converted by a derivative index instrument (swap) to CDI + 1.16%.
- For the third series, the corresponding compensatory interest will be IPCA + 6.65% p.a., such obligation was converted by a derivative index instrument (swap) to CDI + 1.30%.

The guarantor of the issuance was its investee Centro de Tratamento Oncológico S.A. – CTO.

- (ii) The Company has a financing contract with FINEP in the total amount of R\$93,462 thousand, of which R\$54,950 have already been disbursed.

As at December 31, 2022, the Group is compliant with the last measurement of the financial and non-financial covenants of the Group's borrowings and financing. The covenants are disclosed in note 18.

Derivatives - swap	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Current and noncurrent assets	-	-	-	-
Current and noncurrent liabilities	10,113	-	11,142	2,558
Total borrowings, financing and debt instruments, net of swap	<u>569,734</u>	<u>110,649</u>	<u>1,371,321</u>	<u>1,161,055</u>

The Company contracted swaps to hedge against the fluctuations of the price indices when raising the CRI and a working capital transaction with Banco Santander, with the same issuance terms and conditions. The market value adjustments of the swaps are disclosed in the balance sheet in line item "Derivative financial instruments". As at December 31, 2022, the weighted average cost of the swaps is approximately 100% of the CDI rate + 1.35% p.a. The long and short positions are disclosed in note 30.

The settlement flow of borrowings and financing is as follows:

Settlement flow	Parent	Consolidated
2023	22,316	321,580
2024	4,663	292,729
2025	4,663	149,458
2026	4,663	42,199
2027	265,584	282,055
2028 and thereafter	257,732	272,158
	559,621	1,360,179

Variations in borrowings and financing as at December 31, 2022 and 2021 are as follows:

	Parent	Consolidated
Balance as at December 31, 2020	554,207	1,399,156
New companies	-	73,759
Additions	21,220	190,542
Interest incurred	31,462	108,049
Principal repayment	(458,821)	(508,825)
Foreign exchange fluctuation	(3,676)	(2,856)
Surplus of borrowings and financing	-	967
Payment of finance charges	(34,412)	(99,440)
Other	669	(2,855)
Balance as at December 31, 2021	110,649	1,158,497
Additions	499,128	705,836
Interest incurred	25,113	180,543
Principal repayment	(70,000)	(689,419)
New companies	-	154,072
Payment of finance charges	(5,269)	(149,350)
Balance as at December 31, 2022	559,621	1,360,179

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

Oncoclínicas Group's exposure to interest rate risks and the sensitivity analysis for borrowings and financing are disclosed in note 30.

As at December 31, 2022 and 2021, the Company and its subsidiaries are compliant with the financial and non-financial covenants. The financial ratios established in the borrowing agreements are equivalent to those mentioned in note 18 below.

18. DEBENTURES

Variations in the Group's debenture balances as at December 31, 2022 and 2021 are as follows:

	Parent		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Debentures	746,260	-	1,745,163	999,646
Total	746,260	-	1,745,163	999,646
Current	7,771	-	17,245	2,540
Noncurrent	738,489	-	1,727,918	997,106

	Parent	Consolidated
Balance as at December 31, 2020	-	-
Additions	-	997,106
Interest incurred	-	2,540
Balance as at December 31, 2021	-	999,646
New companies	-	45,000
Additions	738,490	733,467
Interest incurred	7,771	154,599
Principal repayment	-	(48,351)
Payment of finance charges	-	(139,198)
Balance as at December 31, 2022	746,260	1,745,163

Characteristics of outstanding debentures as at December 31, 2022

9th Public Issuance of Debentures – Oncoclínicas do Brasil Serviços Médicos

In October 2022, parent Oncoclínicas do Brasil Serviços Médicos S.A. conducted the 9th public issuance of simple, nonconvertible, unsecured debentures, with additional surety guarantee. The terms of the 9th issuance were:

- Total issuance amount: R\$750,000
- Number: 750,000
- Par value: R\$1,000
- Issuance date: October 27, 2022
- Book building date: November 23, 2022.
- Term and final maturity date: 5 and 7 years, according to the communicating vessels, of which R\$630,000 in 2027 and R\$120,000 in 2029.
- Rates: CDI + 1.62% p.a. - 5 years and CDI + 1.80% p.a. – 7 years
- No scheduled renegotiation.

Characteristics of outstanding debentures as at December 31, 2021

1st Public Issuance of Debentures – Multihemo Serviços Médicos S.A (“Multihemo”)

In December 2021, subsidiary Multihemo conducted the 1st public issuance of simple, nonconvertible, unsecured debentures, with additional surety guarantee. The terms of the 1st issuance were:

- Total issuance amount: R\$450,000
- Number: 450,000
- Par value: R\$1,000
- Issuance date: December 20, 2021
- Term and final maturity date: 7 years, with maturity on December 20, 2028
- Rate: CDI + 2.35% p.a.
- No scheduled renegotiation.

The proceeds obtained by the Company through the issuance of the Debentures will be used to prepay R\$70,000 relating to the Company’s debts with current cost of 100% of the accumulated DI rate fluctuation, plus average spread equivalent to 4.00% p.a., as well as extension of the debt profile and financing of its inorganic growth program.

1st Public Issuance of Debentures – Centro Paulista de Oncologia S.A. (“CPO”)

In December 2021, subsidiary CPO conducted the 1st public issuance of simple, nonconvertible, unsecured debentures, with additional surety guarantee. The terms of the 1st issuance were:

- Total issuance amount: R\$550,000.00
- Number: 550,000
- Par value: R\$1,000.00
- Issuance date: December 10, 2021
- Term and final maturity date: 6 years, with maturity on December 10, 2027
- Rate: CDI + 2.40% p.a.
- No scheduled renegotiation.

The proceeds obtained by the Company through the issuance of the Debentures will be used to prepay R\$200,000 relating to the Company’s debts with current cost of 100% of the accumulated DI rate fluctuation, plus average spread equivalent to 3.50% p.a., as well as extension of the debt profile and financing of its inorganic growth program.

The expenses related to the 9th issuance of Oncoclínicas and 1st issuance of Multihemo were accounted for reducing the debenture amount and will be amortized until the settlement date.

The proceeds obtained by the Company through the issuance of the Debentures will be used to prepay the Company’s debts with current cost of 100% of the accumulated DI rate fluctuation, plus average spread equivalent to 3.00% p.a., as well as extension of the debt profile.

Settlement flow	Parent	Consolidated
2023	7,771	17,245
2024	-	42,308
2025	-	281,731
2026	-	281,731
2027	618,490	892,304
2028 and thereafter	<u>120,000</u>	<u>229,844</u>
Total	<u>746,261</u>	<u>1,745,163</u>

The Company is subject to certain covenants. As at December 31, 2022, the Group is compliant with the financial and non-financial covenants of its debenture agreements, as shown below:

Ratio	Limits	2022
Net debt / adjusted EBITDA	Below 4.00	3.15
Adjusted EBITDA / Finance costs	Above 1.75	2.53

19. PAYROLL AND RELATED TAXES

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

Description	Parent		Consolidated	
	2022	2021	2022	2021
Salaries and wages	-	-	6,818	7,293
Social security contribution (INSS)	2,685	1,757	11,341	8,061
Severance pay fund (FGTS)	390	661	1,560	1,672
Withholding income tax (IRRF) on payroll	1,801	882	2,711	1,614
Accrued vacation, 13 th salary and related taxes	10,254	12,893	45,517	39,293
Accrued profit sharing (a)	24,137	11,701	29,729	22,100
Share-based payment program (b)	776	12,294	776	12,294
Other	-	-	2,898	104
Total	<u>40,043</u>	<u>40,188</u>	<u>101,350</u>	<u>92,431</u>
Current	39,267	27,894	100,574	80,137
Noncurrent	776	12,294	776	12,294

- (a) Oncoclínicas Group has a profit sharing program for employees, based on the profit recorded on an annual basis. The annual amount payable is set based on results and performance indicators.
- (b) Refers to taxes on the balance of the executive officers' and employees' compensation program, under the share-based payment program.

20. TAXES PAYABLE

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

Description	Parent		Consolidated	
	2022	2021	2022	2021
Withholding income tax (IRRF)	567	619	3,307	3,388
Service tax (ISSQN)	444	627	37,177	28,766
Taxes on revenue (PIS and COFINS)	3,510	2,801	43,740	19,514
Federal withholding taxes	415	920	2,341	3,621
Taxes in installments (ii)	-	-	18,563	10,697
PERT (i)	-	-	2,434	2,167
Tax on Financial Transactions (IOF)	2,704	2,381	4,083	3,654
Other	190	261	3,729	4,401
Total	7,830	7,609	115,374	76,208
Current	7,830	7,609	100,249	68,904
Noncurrent	-	-	15,125	7,304

I. Special Tax Regularization Program (PERT)

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

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

In December 2021, the Brazilian Federal Revenue Service approved the majority of the lawsuits of the Group companies and assets and liabilities were offset, as shown in note 10.

II. Taxes in installments are as follows:

The increase in taxes in installments derives from business combinations carried out in 2022.

	Consolidated	
	2022	2021
Municipal	225	735
Federal	18,338	9,962
	18,563	10,697

21. PAYABLES FOR ACQUISITIONS

Acquired subsidiaries	Parent	
	2022	2021
Unity Participações S.A.	47,979	-
Centro Paulista de Oncologia S.A.	37,476	35,533
Núcleo de Oncologia da Bahia S.A. (i)	18,493	-
Total	103,948	35,533
Current	1,620	1,163
Noncurrent	102,328	34,370
Acquired subsidiaries	Consolidated	
	2022	2021
Pro Onco Centro de Tratamento Oncológico S.A.	6,061	8,597
Multihemo Serviços Médicos S.A.	64,287	106,407
Instituto Materno Infantil de Minas Gerais S.A.	52,347	49,754
Hospital de Oncologia do Méier S.A.	19,319	22,801
Ira Instituto Roberto Alvarenga Ltda.	285	1,692
Centro Paulista de Oncologia	37,476	35,533
CPO - Centro Paraibano de Oncologia S.A.	21,502	20,675
Núcleo de Oncologia de Sergipe S.A.	18,798	19,642
Hematológica - Clínica de Hematologia S.A.	33,265	46,611
Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda (CEBROM)	51,350	98,040
CTR Centro de Tratamento Radioterápico Ltda (CTR Bueno)	14,069	29,528
Complexo Hospitalar Uberlândia S.A.	50,876	12,975
UMC Imagem Ltda e Instituto do Coração do Triângulo Mineiro Ltda	2,267	2,252
Unity Group	47,979	-
CAM/CLION Group	151,792	-
Cemise Group	38,406	-
Microimagem Laboratório de Anatomia Patológica e Citopatologia Ltda.	4,470	-
Medsir	2,317	-
Grupo Itaigara	112,963	-
Núcleo de Oncologia da Bahia S.A. (i)	40,038	-
Total	769,867	454,507
Current	305,010	83,191
Noncurrent	464,557	371,316

- (i) Refers to the recognition of obligations related to put options granted by noncontrolling shareholders regarding the shares of Núcleo de Oncologia da Bahia S.A. The exercise of this option by noncontrolling shareholders is contingent on future events that are not fully under the Group's control and on the continuity of provision of medical services by the shareholders of Núcleo de Oncologia da Bahia S.A. The instrument is measured at the present value of the redemptions, in the amount of R\$40,038, of which R\$18,493 refers to put options from the founding shareholders to be paid by Oncoclínicas and the amount of R\$21,545 relating to the put option from the shareholders included in the transaction for acquisition of CAM/CLION Group to be paid by Oncoclínica Centro de Tratamento Oncológico S.A.

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

The Company, in certain business combination transactions, established contingent consideration clauses, which were determined based on the respective fair values, which amount is R\$389,492 as at December 31, 2022.

Variations in payables for acquisitions are as follows:

	<u>Parent</u>	<u>Consolidated</u>
Balance as at December 31, 2020	27,792	204,739
Additions	65,198	940,970
Interest incurred and changes in the fair value of contingent considerations	(2,675)	26,692
Principal repayment	(51,589)	(699,284)
Capitalization – Capital contribution (i)	(2,999)	(2,999)
Payment of finance charges	(194)	(15,611)
Balance as at December 31, 2021	<u>35,533</u>	<u>454,507</u>
Additions	826,414	1,513,165
Changes - 2021 (ii)	-	(12,200)
Interest incurred	4,101	34,294
Capitalization – Capital contribution and reserve (i)	(225,916)	(291,195)
Call options	15,884	31,815
Adjustment to present value (iii)	2,559	15,911
Adjustment to fair value (iii)	2,609	10,771
Principal repayment	(556,869)	(962,845)
Payment of interest and finance charges	(367)	(24,356)
Balance as at December 31, 2022	<u>103,948</u>	<u>769,867</u>

(i) Refers to the utilization of credit of the balance payable to shareholders originated in the Group's acquisitions, as follows:

- Capital contribution by noncontrolling shareholders of CAM/CLION in the parent Núcleo de Oncologia da Bahia S.A.
- Issuance of shares by parent Oncoclínicas Serviços Médicos do Brasil S.A. as part of the consideration from Unity's acquisition.

The transactions are mentioned in note 24 (a) and (b).

In 2021 refers to the utilization of credit of the balance payable to shareholders, for the Company's capital increase, which shareholders were included in the Company's shareholding structure, as mentioned in note 24.

(ii) Relating to the price adjustment clauses based on the companies' indebtedness on the acquisition date as part of the consideration offered and adjustment to fair value of contingent considerations from combination upon completion of the Purchase Price Allocation in 2022.

(iii) Refers to the adjustment to present value and adjustment to fair value of considerations assumed in business combinations.

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

Settlement flow	Parent	Consolidated
2023	1,620	305,310
2024	65,806	67,781
2025	5,071	137,467
2026	31,451	211,473
2027 and thereafter	-	47,330
	103,948	769,867

22. OTHER LIABILITIES

Description	Parent		Consolidated	
	2022	2021	2022	2021
Corporate right	18,962	8,155	61,008	12,607
Redemption of preferred shares payable (d)	113	-	24,324	62,862
Partnership - Casa de Saúde São José - CSSJ	-	-	21,617	14,432
Payables - Fundação Ary (e)	3,589	6,551	3,589	6,551
Dana Farber (a)	59,989	-	59,989	-
Royalties payable	67	-	67	10,630
Partnership - Unimed RJ/Ceon (c)	-	-	-	23,000
Partnership - Vision Med (b)	12,467	-	12,467	-
Other payables	10,240	1,502	15,228	11,520
Total	105,427	16,207	198,289	141,602
Current	53,960	11,856	127,047	91,246
Noncurrent	51,467	4,351	71,242	50,356

- a) Balance payable relating to intangible assets recognized as shown in note 13. The obligation payable relating to this agreement is R\$93,533 with an adjustment to present value of R\$26,290, resulting in the net amount of R\$67,243. In 2022 R\$9,996 was paid, subject to foreign exchange fluctuation of R\$489 and amortization of PVA of R\$2,253.
- b) Balance payable relating to the partnership agreement entered into with Vision Med, as mentioned in note 13, item (ii), the residual value payable of the agreement is R\$15,000.
- c) The balance of Unimed partnership was settled upon credit of receivables as shown in note 33.
- d) In 2022 the Group signed a receivables settlement and assignment agreement with subsidiaries and Unimed Rio, where the amounts of the invoices for medical services provided were offset against the balance payable of share redemption, relating to the shareholders' agreements, where the Group approves the redemption of all preferred shares, with the subsequent cancellation of these shares, without capital decrease, as well as the extinguishment of the class of preferred shares redeemable by the noncontrolling shareholders of the following entities controlled by the Group.

These amounts are adjusted by the IPCA, as set forth in the agreement, and the maturities range from 2023 to 2026.

23. PROVISIONS FOR TAX, LABOR AND CIVIL RISKS

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

The provisions for risks are as follows:

	Parent		Consolidated	
	2022	2021	2022	2021
Civil	59	-	21,429	14,752
Tax	-	1,060	26,612	14,338
Labor	23	8	13,577	12,044
	<u>82</u>	<u>1,068</u>	<u>61,618</u>	<u>41,134</u>

Provisions of civil nature are mainly related to indemnity for pain and suffering and property damages alleged by patients due to the provision of services.

Provisions of tax nature are comprised of legal and administrative proceedings on the proper ISS rate that should have been applied to the provisions of services in the municipalities of Salvador and Rio de Janeiro in a period prior to 2014, in addition to tax executions for the collection of PIS and COFINS relating to period prior to 2007.

Provisions of labor nature derive mainly from claims filed by employees, mostly related to additional health and hazard premium, overtime and third-party lawsuits with request for subsidiary liability.

During 2022 and 2021, the Group carried out an assessment of the lawsuits and determined an amount of R\$35,481 relating to the lawsuits on business combinations, whose triggering event precedes the acquisition date of such subsidiary by Oncoclínicas Group. The total amount of these lawsuits is indemnifiable by the sellers to the Group and, therefore, this amount was recognized as a contra entry to the indemnifying asset during the measurement period, as prescribed by IFRS 3/CPC 15 (see note 10).

	Parent	Consolidated
Balance as at December 31, 2020	652	20,066
New companies	-	19,880
Adjustment to indemnifiable asset	-	17
Reversal of provisions	(59)	(2,902)
Recognitions	44	2,643
Inflation adjustment, net	431	1,430
Balance as at December 31, 2021	<u>1,068</u>	<u>41,134</u>

	<u>Parent</u>	<u>Consolidated</u>
New companies	-	16,648
Adjustment to indemnifiable asset	-	111
Reversal of provisions	(1,725)	(1,846)
Recognitions	740	4,591
Inflation adjustment, net	(1)	980
Balance as at December 31, 2022	<u>82</u>	<u>61,618</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 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>2022</u>	<u>2021</u>
Civil (i)	34,925	15,224
Labor (ii)	3,961	7,561
Tax (ii)	5,132	3,801
	<u>44,018</u>	<u>26,586</u>

- (i) Provisions of civil nature are mainly related to indemnity for pain and suffering and property damages alleged by patients due to the provision of services. There is no individually relevant lawsuit.
- (ii) Provisions of labor nature derive mainly from claims filed by employees, mostly related to additional health and hazard premium, overtime and third-party lawsuits with request for subsidiary liability. There is no individually relevant lawsuit.
- (iii) Contingencies are comprised of lawsuit on the proper ISS rate that should have been applied to the provisions of services in period prior to 2007 in the municipality of Salvador, as well as administrative proceedings, such as, tax assessment notice issued by the Brazilian Federal Revenue Service alleging incorrect tax classification of imported good, resulting in additional collection of IPI, PIS, COFINS import and regulatory fine, notification on the non-withholding of ISS on services taken in the Municipality of Nova Lima and objections requesting the full approval of requests for refund arising from overpayment of IRPJ/CSLL-Deemed Income and withholding PIS/COFINS debts.

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

	Parent		Consolidated	
	2022	2021	2022	2021
Civil	-	-	1	-
Labor	-	-	6,285	2,074
Tax	<u>7,578</u>	<u>7,850</u>	<u>12,136</u>	<u>10,525</u>
	<u>7,578</u>	<u>7,850</u>	<u>18,422</u>	<u>12,599</u>

The Company made escrow deposits that are adjusted based on the Selic rate, as from the actual deposit date. The amount of R\$12,599, 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\$7,850 and (ii) several escrow deposits related to labor claims in progress.

24. EQUITY

(a) Capital

As at December 31, 2022, the Company's capital is R\$2,249,716, fully paid in (R\$2,207,134 as at December 31, 2021), represented by 494,939,864 common shares (495,357,723 common shares as at December 31, 2021).

As mentioned in note 4, the Company issued 7,827,594 common shares, corresponding to a capital increase of R\$42,582, as part of the consideration payable due to the acquisition of Unity's control.

In April 2021, the amount of R\$9,590, which was subscribed by the shareholders, was paid in through loans.

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 ratio of 1:100, so that each common share of the Company now corresponds to 100 common shares of the Company.

On August 6, 2021, the capital increase by the amount of R\$1,778,478 was approved, upon the issuance of 90,049,527 new common shares at the amount of R\$19.75. The transaction costs, borne by the Company, incurred with the funding through public offering and distribution of shares, totaled R\$104,466 in December 2021, and were accounted for as reduction of capital separately in equity, pursuant to CVM Instruction 649/10 and CPC 08 (R1).

	Amount	Number of shares
Balance as at December 31, 2020	425,656	405,058,200
Capital increase with capitalization of credits from noncontrolling shareholders (i)	2,999	249,996
Issuance of new common shares	1,778,478	90,049,527
Balance as at December 31, 2021	<u>2,207,134</u>	<u>495,357,723</u>

	<u>Amount</u>	<u>Number of shares</u>
Balance as at December 31, 2020	425,656	405,058,200
Capital increase with capitalization of credits from noncontrolling shareholders (i)	2,999	249,996
Issuance of new common shares	1,778,478	90,049,527
Capital increase upon issuance of shares (note 04)	<u>42,582</u>	<u>7,827,594</u>
Cancellation of treasury shares	<u>-</u>	<u>8,245,453</u>
Balance as at December 31, 2022	<u>2,249,716</u>	<u>494,939,864</u>

(i) Refers to capital increase as a result of capitalization of credit held by the Company with noncontrolling shareholders due to the acquisition of additional interest in subsidiaries (see note 21).

<u>Shareholder</u>	<u>Voting capital</u>	<u>Common shares - 2022</u>	<u>Voting capital</u>	<u>Common shares - 2021</u>
-				
Goldman Sachs Management	62.10%	307,368,122	66.14%	327,629,265
Treasury shares	4.74%	23,426,658	6.51%	32,243,122
Free float	3.38%	16,728,889	4.15%	20,573,688
	<u>29.78%</u>	<u>147,413,195</u>	<u>23.20%</u>	<u>114,911,648</u>
	<u>100.00%</u>	<u>494,939,864</u>	<u>100.00%</u>	<u>495,357,723</u>

b) Capital reserve

A subscription warrant with the prerogative of subscribing up to 37,628,703 common shares was approved, at the maximum price of R\$5.44, which amount refers to Oncoclínicas share price, on the closing of the trading session prior to the closing date, totaling an amount of R\$204,700 allocated as capital reserve, pursuant to note 4.

c) Treasury shares

The Company has a share buyback program, duly approved at the meeting of the Board of Directors held on July 6, 2022 for buyback of up to 14,000,000 common shares issued by the Company, subject to the legal limit.

During 2022, transactions were carried out for the buyback of 10,725,000 common shares at the amount of R\$65,017 and cancellation of 8,245,453 common shares without par value.

In July 2022, the Company settled obligations arising from the share-based payment plan, through the delivery of 6,227,365 common shares, previously held in treasury.

During the last quarter of 2022, the Company settled obligations arising from the share-based payment plan, through the delivery of 7,797,886 common shares, previously held in treasury, which totaled R\$20,621 as at December 31, 2021.

As at December 31, 2022, total treasury shares is 16,728,889 common shares in the amount of R\$79,396, as shown below:

	Unit price	Number of shares	Total
Balance as at December 31, 2020	1.002321	28,371,574	28,436
Exercise of shares granted	1.002321	7,797,886	(7,815)
	<u>1.002321</u>	<u>20,573,688</u>	<u>20,621</u>
Balance as at December 31, 2021	1.002321	(6,227,365)	(6,242)
Exercise of shares granted	-	(8,245,453)	-
Cancellation of shares	6.06219	10,725,000	65,017
Share buyback (average amount)			
	<u>4.74604</u>	<u>16,728,889</u>	<u>79,396</u>
Balance as at December 31, 2022			

d) Share-based payment

The Company has a compensation program for executives/employees consisting of granting stock appreciation rights ("stock options"), as mentioned in note 2.25.

The stock option plan establishes the terms and conditions for the granting of common shares issued by the Company, subject to certain conditions, to the Company's Management, employees and service providers, or other companies under its control.

The participant's right to effectively exercise the options shall be contingent on the participant remaining continuously linked and providing services to the Company or its subsidiaries, as officer, employee or service provider, as from the date of the agreement up to the anniversary dates (each period, a "Right Vesting Period").

The participant can exercise his/her exercisable options according to the following schedule: 25% within 30 days counted from the anniversary date, 25% within 30 days from the 6th month counted from the anniversary date, 25% within 30 days from the 12th month counted from the anniversary date and 25% within 30 days from the 18th month counted from the anniversary date.

Share-based and share-settled payments for the Company's employees and executives are measured at the fair value of the equity instruments on the grant date. The Company adjusted the fair value of the stock options granted to all program beneficiaries, considering the development of specific estimates of the assumptions for calculation of the fair values of these instruments, including the price of the underlying share, option exercise price, risk-free interest rate, dividend rate, volatility, lifetime of the instruments, grace period. The Black & Scholes method was adopted by the Company for valuation of these instruments.

For measurement and recognition purposes, the Company accessed the criteria prescribed by CPC 10(R1)/IFRS 2 considering the program as equity settle, and the balance in liabilities derives from taxes and social security contributions payable, which will be paid by the Company in cash.

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

	<u>Assumptions</u>
Price of the underlying share	4.34 to 4.97
Option average exercise price	4,65
Risk-free interest rate	4.1% to 8.4%
Dividend rate	0,0%
Expected average volatility	37,6%
Average lifetime of instruments	8 years
Grace period	1 year

Variations in total instruments granted and settled during the year are as follows:

	<u>Options</u>
Balance as at December 31, 2020	<u>28,767,200</u>
Granted during the period	3,902,800
Settled during the period	(14,614,200)
Balance as at December 31, 2021	<u>18,055,800</u>
Granted during the period	21,689,017
Settled during the period	(6,227,365)
Balance as at December 31, 2022	<u>33,517,452</u>

At the balance sheet dates, the Company's Management reviews the estimates regarding the number of options and recognizes, when applicable, the effect arising from the review of these initial estimates in profit or loss for the year as a contra entry to equity.

The fair value of stock option plans was calculated on the grant date of each plan and based on the pricing model. The effects were reflected in line item "General and administrative expenses" in profit or loss, and in line item "Capital reserve".

In May 2022 there were new grants in the total amount of 21,689,017 common shares.

In July 2022 part of the plan was settled, through the delivery of vested shares to beneficiaries, regarding 6,227,365 common shares, previously held in treasury, already deducting all taxes due that must be withheld, deducted or discounted. On the settlement date, the Company entered into with beneficiaries contractual addenda where the benefit calculation metrics were modified, and the Company measures the fair value of the obligations arising from the contractual changes in this plan as a contra entry to profit or loss for the year.

In the fourth quarter of 2021, contractual addenda were entered into with certain beneficiaries of the Company's stock plan, which changed the settlement method of the obligations recognized, from cash settlement to equity instrument settlement, that is, shares, and established the settlement of the vested installments, through the delivery to these beneficiaries of 7,797,886 common shares previously held in treasury, already excluding all taxes due that must be withheld, deducted or discounted.

The impact on capital reserve, in equity, amounted to R\$109,152, deriving from the difference between the amount established in such contractual addenda, net of the respective withholding income tax, and the book value of the treasury shares delivered. The estimated withholding income tax on the amounts of the grants to be settled in the future is R\$3,329.

The plan fully granted to the Company's executives a total of 54,359,017 virtual shares, under an individual agreement between each beneficiary and the Company, of which 20,841,565 virtual shares were exercised and 33,517,452 remain active. No grants were cancelled.

The balance on the program date is as follows:

	<u>Total</u>
Balance as at December 31, 2020	140,911
Adjustment to the fair value against profit or loss	69,163
Settlements through delivery of equity instruments	(117,115)
Payment of taxes	(80,852)
Balance as at December 31, 2021	<u>12,107</u>
Expense recognized (fair value and new grants)	28,022
Settlements through delivery of equity instruments (*)	(33,559)
Balance as at December 31, 2022	<u>6,570</u>

(*) The Company recognized a debt in equity, in the amount of R\$9,209, arising from the settlement of withholding income tax on the settlements during the year ended December 31, 2022, based on the concepts set out in CPC 10 | IFRS 2.

The estimated withholding income tax on the amounts of the grants to be settled in the future is R\$985.

During 2022, no grants were cancelled.

e) Dividend and interest on capital distribution policy

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, 2022, Oncoclinicas do Brasil S.A. recognizes accumulated losses and, therefore, did not distribute dividends and interest on capital to its shareholders.

As at December 31, 2022, the Company recognizes a total amount of R\$47,091 (R\$24,102 as at December 31, 2021) as accrued dividends payable to noncontrolling shareholders and distributed R\$41,280 during the period (R\$31,785 as at December 30, 2021).

f) Transactions between shareholders

The effects in 2022 of R\$18,302 and R\$294,99 for 2021 in the parent's equity are based on the transactions mentioned below and the effects on equity of noncontrolling shareholders in the amount of R\$4,045 for 2022 and R\$61,591 for 2021 are also explained by the transactions below:

Description of the transactions in 2022	Amount
f.i) Increase of capital and capital reserve in Instituto Materno Infantil	26,867
Capital contribution in Núcleo da Bahia with dilution of noncontrolling	
f.i) shareholders	4,703
f.i) Other transactions in the year	(2,440)
Fair value of the shares of Núcleo da Bahia in the business combination with	
f.ii) Cam/Clion Group	11,499
f.ii) Capital contribution in CTC without dilution of noncontrolling shareholders	(1,232)
f.ii) Fair value of the subscription warrant in Unity's combination	(21,365)
	<u>18,032</u>
Total recognized in the equity of noncontrolling shareholders	
f.i) Increase of capital and capital reserve in Instituto Materno Infantil	4,741
Capital contribution in Núcleo da Bahia with dilution of noncontrolling	
f.i) shareholders	(1,378)
f.i) Other transactions in the year	(3,779)
Fair value of the shares of Núcleo da Bahia in the business combination with	
f.ii) Cam/Clion Group	3,229
f.ii) Capital contribution in CTC without dilution of noncontrolling shareholders	1,232
	<u>4,045</u>
Total recognized in the equity of noncontrolling shareholders	
Description of the transactions in 2021	Amount
f.i) Purchase of remaining noncontrolling interests in subsidiaries	(246,113)
Recognition of the fair value of contingent considerations arising from the	
f.i) acquisition of Centro Paulista	(22,607)
f.i) Acquisition of interest in Oncobio	(26,672)
f.ii) Other transactions in the year	401
	<u>(294,991)</u>
Total recognized in the equity of noncontrolling shareholders	
f.i) Purchase of remaining noncontrolling interests in subsidiaries	(36,529)
f.i) Acquisition of interest in Oncobio	(15,640)
Acquisition of interest through the option clause in the business combination	
f.i) with UMC	(9,898)
f.i) Other transactions in the year	476
	<u>(61,591)</u>
Total recognized in the equity of noncontrolling shareholders	

(i) Changes in equity interest

The Parent recognized a gain in equity of R\$31,570, as mentioned in note 11, relating to the transactions with Núcleo de Oncologia da Bahia S.A. and Instituto Materno Infantil S.A.

In April 2021, the Group acquired additional equity interests in certain subsidiaries previously held by noncontrolling shareholders for R\$282,640. These transactions had an impact on equity in the amount of R\$246,113 arising from the difference between the consideration transferred and the carrying amount of the noncontrolling interest acquired.

Additionally, 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 22,607, were recognized directly in equity in line item “transactions between shareholders”.

On December 21, 2021, the Company acquired the remaining 40% equity interest in Oncobio Serviços de Saúde S.A, for the amount of R\$41,912. This transaction had an impact on equity in the amount of R\$26,272 arising from the difference between the consideration transferred and the carrying amount of the noncontrolling interest acquired.

(ii) Capital transactions and capital increase

In 2022, the amount of R\$65,277 refers to the capital increase carried out by the noncontrolling shareholders of CAM, which started to comprise the shareholding structure of Núcleo de Oncologia da Bahia. The amount was offset in the balance of acquisitions payable for the interest acquired in CAM by Núcleo, pursuant to note 21.

The transactions arising from capital resulted in a gain in the Parent’s equity of R\$10,267, as mentioned in note 11, carried out with subsidiary CTC Oncologia S.A. and Núcleo de Oncologia da Bahia S.A.

For the purposes of the business combination, the fair value of the shares mentioned above (capital and subscription warrant), was considered in the unit amount of R\$4.97 which correspond to Oncoclínicas share price on the closing of the acquisition date. The difference between the fair value and corporate acts was recognized as transactions between shareholders in the negative amount of R\$21,365.

Additionally, during 2021, 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\$240,526 and capital decrease in the amount of R\$400, as shown below:

- a. Capital decrease in Radiogroup in the amount of 400.
- b. 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.
- c. Capital increase through payment of advance for future capital increase of shareholder Bioncologia in the amount of R\$5,138.

- d. Capital increase through the contribution of the customer portfolio to Centro de Excelência (CEON), approved in the Investment Agreement and Other Covenants between Centro de Tratamento Oncológico (“CTO”) and Unimed Rio Cooperativa (“Unimed Rio”), with Unimed contribution comprising intangible asset valued at R\$166,000 being R\$83,000 allocated to capital.
- e. Capital increase through the contribution of the customer portfolio approved in the Investment Agreement and Other Covenants between the Unimed Rio Cooperativa de Trabalho Médico do Rio de Janeiro Ltda and Unimed Empreendimentos Hospitalares Ltda (“UREMH”), with UREMH contribution comprising intangible asset valued at R\$235,000 being R\$117,500 allocated to capital.
- f. Capital increase made by the shareholders of Complexo Hospitalar Uberlândia in the amount of R\$9,897.

25. REVENUES

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

Description	Parent	
	2022	2021
Gross revenue:		
Healthcare services	204,226	182,942
Taxes on sales and other deductions:		
PIS on sales	(1,278)	(1,158)
COFINS on sales	(5,899)	(5,346)
ISS on sales	(5,899)	(5,435)
Allowance for expected credit losses and provision for disallowances	(20)	6,832
	<u>(13,096)</u>	<u>(5,107)</u>
Net revenue	<u>191,130</u>	<u>177,835</u>
Description	Consolidated	
	2022	2021
Gross revenue:		
Healthcare services	4,440,244	2,923,533
Taxes on sales and other deductions:		
PIS on sales	(25,958)	(17,612)
COFINS on sales	(119,854)	(78,060)
ISS on sales	(106,872)	(77,083)
Allowance for expected credit losses and provision for disallowances	(99,308)	(48,712)
	<u>(351,992)</u>	<u>(221,467)</u>
Net revenue	<u>4,088,252</u>	<u>2,702,066</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 financial statements, with a contra entry to "Trade receivables".

The concentration of the Company's net revenue is distributed in such a way that, in the period ended December 31, 2022, only one customer concentrated a share of more than 17% 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 30% of the Company's total net revenue.

26. COSTS AND EXPENSES BY NATURE

	Parent	
	<u>2022</u>	<u>2021</u>
Healthcare costs and medicines	(128,719)	(115,591)
Personnel and charges	(170,363)	(119,953)
Expenses on Phantom Shares plan	(11,082)	(69,163)
Outside services	(84,622)	(72,779)
Rental and common area maintenance fees	(1,281)	(537)
Infrastructure	(6,154)	(2,728)
Travels	(8,105)	(3,043)
Use and consumption	(1,628)	(1,944)
Communication	(4,388)	(3,118)
Depreciation and amortization	(31,336)	(25,492)
Apportionment of expenses (i)	228,579	174,810
Write-off of property and equipment	(5)	-
Provisions for tax, labor and civil risks	986	(416)
Other income (expenses), net	<u>(12,005)</u>	<u>(9,724)</u>
	<u>(230,123)</u>	<u>(249,678)</u>
Cost of services	(131,986)	(122,263)
General and administrative expenses	(101,551)	(129,108)
Other operating income (expenses)	3,414	1,693
Total	<u>(230,123)</u>	<u>(249,678)</u>

	Consolidated	
	2022	2021
Healthcare costs and medicines	(2,402,519)	(1,692,696)
Personnel and charges	(610,308)	(350,798)
Expenses on Phantom Shares plan	(11,082)	(69,163)
Outside services	(230,517)	(164,099)
Rental and common area maintenance fees	(23,411)	(21,104)
Infrastructure	(52,761)	(30,077)
Travels	(18,518)	(7,841)
Use and consumption	(24,947)	(14,249)
Communication	(12,871)	(7,150)
Depreciation and amortization	(175,152)	(126,973)
Write-off of property and equipment	(1,846)	-
Provisions for tax, labor and civil risks	(3,725)	(1,171)
Other income (expenses), net	(49,495)	(39,530)
	<u>(3,617,152)</u>	<u>(2,524,851)</u>
Cost of services	(2,636,145)	(1,833,275)
General and administrative expenses	(980,817)	(688,050)
Other operating income (expenses), net	(190)	(3,526)
Total	<u>(3,617,152)</u>	<u>(2,524,851)</u>

- i. 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.

27. FINANCE INCOME (COSTS)

	Parent	
	2022	2021
Finance income:		
Income from short-term investments	40,680	28,560
Discounts obtained	477	113
Interest receivable on intragroup loans	9,019	3,771
Derivative liabilities (swap)	-	4,994
PIS and COFINS on finance income	(3,904)	(1,777)
Other finance income	8,321	6,447
	<u>54,593</u>	<u>42,108</u>

	Parent	
	2022	2021
Finance costs:		
Interest expense on borrowings and financing	(25,113)	(31,462)
Interest expense on debentures	(7,771)	-
Tax on Financial Transactions (IOF)	(5,330)	(2,304)
Interest expense on payables for acquisitions and changes in the fair value of contingent considerations	(4,101)	2,675
Bank fees	(433)	(213)
Discounts granted	(20)	(16)
Interest payable on intragroup loans	(26,444)	(6,473)
Derivative liabilities (swap)	(10,113)	(1,166)
Interest on lease liabilities	(1,202)	(2,064)
Adjustment to present value	(4,976)	-
Adjustment to fair value	(2,609)	-
Other finance costs	(17,650)	(7,294)
	<u>(105,762)</u>	<u>(48,317)</u>
Finance income (costs)	<u>(51,169)</u>	<u>(6,209)</u>
	Consolidated	
	2022	2021
Finance income:		
Income from short-term investments	121,131	51,328
Discounts obtained	4,762	987
Interest receivable on intragroup loans	6,762	3,081
Derivative liabilities (swap)	-	4,994
PIS and COFINS on finance income	(14,127)	(3,951)
Other finance income	22,553	10,220
	<u>141,081</u>	<u>66,659</u>
Interest expense on borrowings	(180,543)	(108,049)
Interest expense on debentures	(154,599)	(2,540)
Tax on Financial Transactions (IOF)	(11,096)	(3,319)
Interest expense on payables for acquisitions	(34,292)	(26,692)
Bank fees	(1,314)	(623)
Exchange losses	(4)	-
Discounts granted	(2,019)	(2,039)
Derivative liabilities (swap)	(14,755)	(1,722)
Interest on lease liabilities	(27,039)	(17,080)
Present value adjustment of financial liabilities	(18,328)	-
Fair value adjustment to financial liabilities	(10,771)	-
Other finance costs	(35,346)	(19,473)
	<u>(490,106)</u>	<u>(181,537)</u>
Finance income (costs)	<u>(349,025)</u>	<u>(114,878)</u>

28. EARNINGS (LOSS) PER SHARE

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

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common and preferred shares, considering the conversion of all potential common shares that would result in dilution. As at December 31, 2021, considering the situation of loss recognized by the Parent, these instruments have non-dilutive effect and, therefore, were not considered in the calculation of diluted loss per share. As at December 31, 2022, the Company has a subscription warrant and a share-based payment program, as mentioned in note 24. Considering the situation of profit recognized for the year ended December 31, 2022, these instruments were considered in the calculation of diluted earnings per share.

	<u>2022</u>	<u>2021</u>
Profit (loss) attributable to the Company's owners	46,260	(46,900)
<u>Basic earnings (loss) per share:</u>		
Weighted average number of outstanding shares	<u>479,831,399</u>	<u>412,385,280</u>
Basic earnings (loss) per share – in Brazilian reais (R\$)	<u>0.0964</u>	<u>(0.1137)</u>
<u>Diluted earnings (loss) per share:</u>		
Weighted average number of outstanding shares, subscription warrants and program shares	<u>531,699,287</u>	<u>412,385,280</u>
Diluted earnings (loss) per share – in Brazilian reais (R\$)	<u>0.0870</u>	<u>(0.1137)</u>

29. INCOME TAX AND SOCIAL CONTRIBUTION

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

Income tax charges are as follows:

	<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>
Companies electing for the deemed income (a)	45,849	17,186
Companies electing for the taxable income (b)	<u>(38,079)</u>	<u>67,568</u>
	<u>7,770</u>	<u>84,754</u>

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

Revenues	Consolidated	
	2022	2021
Services	662,906	487,310
Research services	36	122
Total	662,942	487,432
Deemed income tax - 8%	53,032	38,985
Deemed income tax - 32%	11	39
Deemed social contribution - 12%	79,549	58,477
Deemed social contribution - 32%	-	39
Other revenues	74,805	3,058
Income tax expense	19,177	9,063
Social contribution expense	13,893	4,926
Surtax (10% on excess amount)	12,779	3,197
Total income tax and social contribution expense	45,849	17,186

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

	Parent	
	2022	2021
Profit (loss) before income tax and social contribution	46,260	(46,261)
Statutory tax rate	34%	34%
Statutory income (expense)	(15,727)	15,729
Adjustments to statutory expense (income)		
Share of profit (loss) of subsidiaries	46,382	10,809
Other permanent differences, net	(447)	(1,142)
Interest on capital received	(5,290)	-
Unrecognized tax credits (*)	(24,918)	(26,035)
Effective expense	-	(639)
Current	-	-
Deferred	-	(639)
	Consolidated	
	2022	2021
Profit before income tax and social contribution	121,540	62,337
Statutory tax rate	34%	34%
Statutory income (expense)	(41,324)	(21,195)

	Parent	
	2022	2021
Adjustments to statutory expense (income)		
Share of profit (loss) of subsidiaries	(182)	-
Other permanent differences, net	4,852	(563)
Write-off of tax loss and BCN	(925)	-
Interest on capital	2,346	-
Effect of taxation of subsidiaries under the deemed income regime	(2,929)	(9,402)
Unrecognized tax credits (*)	30,392	(53,595)
Effective expense	<u>(7,770)</u>	<u>(84,754)</u>
Current	(132,979)	(84,377)
Deferred	125,209	(377)

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

(c) Deferred income tax assets - consolidated

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

	2022	2021
Tax loss carryforwards	105,090	-
Swap	1,425	-
Tax benefit of goodwill arising from the downstream merger (i)	65,555	4,755
Allowance for expected credit losses and provision for disallowances	19,224	13,572
Accrued profit sharing	2,831	1,959
Accrued trade payables and provision for risks	5,649	1,561
Accrued bonus	8,625	7,880
Surplus and deficit – Hospital Marcos Moraes	1,367	1,367
Present and fair value adjustment	3,918	-
Borrowing costs	3,691	-
Leases	6,053	2,330
	<u>223,428</u>	<u>33,424</u>

(i) Income tax and social contribution

As mentioned in note 01, the Company carried out a corporate restructuring, which approved the partial spin-off and which spun-off portion was merged. As a result of this transaction, goodwill was recognized net of 34% of income tax and social contribution, based on the tax deductibility of the goodwill amortization, and the respective amount was R\$65,339.

(ii) Temporary additions/deductions

Oncoclínicas Group recognizes deferred income tax and social contribution on tax loss carryforwards and temporary differences, at the rates of 25% and 9%, respectively.

Deferred tax assets are recognized to the extent it is probable that future taxable income is available to be realized, based on projected earnings prepared in line with future economic scenarios, which may, therefore, be subject to changes.

Based on projected future earnings and in conformity with CPC 32, in 2022 the Company recognized the amount of R\$105,090 as deferred tax assets on tax loss carryforwards, that will be reviewed at each balance sheet date and, if necessary, will be reduced to the extent their realization is no longer probable.

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

Expected realization	Parent		Consolidated	
	2022	2021	2022	2021
2022	-	-	-	27,359
2023	-	-	81,013	2,378
2024	-	-	42,891	3,697
2025	-	-	34,489	-
2026	-	-	26,738	-
2027 and thereafter	-	-	38,297	-
Total	-	-	223,428	33,424

(d) Deferred income tax liabilities

Refers to the balances of taxes on surplus arising from business combinations.

30. FINANCIAL INSTRUMENTS

(a) Financial risk factors

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

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

(i) Credit risk

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

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 year is as follows:

	Note	Parent		Consolidated	
		2022	2021	2022	2021
Cash and cash equivalents	5	79,931	398,436	263,208	536,838
Securities and financial assets	6	594,116	149,305	841,738	1,513,799
Trade receivables	7	33,262	29,515	1,379,614	666,151
Escrow deposits	23	7,578	7,850	18,422	12,599
Disposal of equity interests	10	19,615	18,753	21,738	20,546
Related parties	31	191,905	81,642	32,311	31,308
Total		<u>926,407</u>	<u>685,501</u>	<u>2,557,031</u>	<u>2,781,241</u>

Cash and cash equivalents, securities and derivative financial instruments

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

Trade receivables

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

The management of this risk is aimed at ensuring the full receipt of the revenue arising from health insurance plans. 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	
		2022	2021
Trade receivables	6	1,532,749	711,173
Allowance for expected losses and provision for disallowances	6	<u>(153,135)</u>	<u>(45,022)</u>
		<u>1,379,614</u>	<u>666,151</u>
% of the allowance on the balance of trade receivables		<u>9.99%</u>	<u>6.33%</u>

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

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

Other financial assets

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

(ii) Liquidity risk

Liquidity risk is the risk of the 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 2022	Total future flow	Parent					
				Future payment flow					
				2023	2024	2025	2026	2027	2028 and thereafter
Trade payables	15	50,590	50,590	50,590	-	-	-	-	-
Borrowings and financing	17	559,621	732,487	21,822	22,002	23,014	24,985	268,931	371,733
Debentures	18	746,260	1,333,204	108,548	112,231	112,695	111,310	741,308	147,112
Payables - Fundação Ary	22	3,589	4,410	2,103	883	1,424	-	-	-
Exclusivity right	22	18,962	18,962	4,164	3,342	3,288	2,808	2,680	2,680
Dana Farber	22	59,989	86,123	9,883	9,883	9,883	11,295	11,295	33,884
Vision Partnership	22	12,467	15,000	-	10,000	5,000	-	-	-
Related parties	31	380,455	434,024	434,024	-	-	-	-	-
Payables for acquisitions	21	103,948	106,415	18,428	18,751	37,785	31,451	-	-
Total		1,935,881	2,781,215	649,562	177,092	193,089	181,849	1,024,214	555,409

	Note	Accounting position in 2022	Total future flow	Consolidated					
				Payment flow					
				2023	2024	2025	2026	2027	2028 and thereafter
Trade payables	15	604,785	604,785	604,785	-	-	-	-	-
Trade payables - payor risk	16	183,781	183,781	183,781	-	-	-	-	-
Borrowings and financing	17	1,360,179	1,933,022	444,599	465,973	251,803	75,097	295,238	400,312
Derivative financial instruments	17	11,142	11,142	11,142	-	-	-	-	-
Debentures	18	1,745,163	2,467,319	147,296	187,026	423,357	412,685	1,033,670	263,285
Payables - Fundação Ary	22	3,589	4,410	2,103	883	1,424	-	-	-
Partnership - CSSJ	22	21,617	21,617	21,617	-	-	-	-	-
Partnership - Hospital Felício Rocho	22	67	67	67	-	-	-	-	-
Vision Partnership	22	12,467	15,000	-	10,000	5,000	-	-	-
Exclusivity right	22	61,008	61,008	11,356	12,047	7,154	6,430	6,430	17,591
Redemption of shares	22	24,324	25,500	14,184	3,630	3,759	3,927	-	-
Dana Farber	22	59,989	86,123	9,883	9,883	9,883	11,295	11,295	33,884
Payables for acquisitions	21	769,867	798,611	301,067	90,664	226,433	175,511	4,936	-
Related parties	31	2,570	2,570	2,570	-	-	-	-	-
Total		4,860,548	6,214,955	1,754,450	780,106	928,813	684,945	1,351,569	715,072

(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

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

The sensitivity analysis of interest on borrowings and financing and debentures used as probable scenario (Scenario I) the benchmark rates for 2023, reported in Focus report, disclosed by the Central Bank of Brazil (<https://www.bcb.gov.br>) as at December 31, 2022, and scenarios II and III take into consideration an increase in such rate by 25% and 50%, respectively. Results are as follows:

Scenarios	Scenario I Probable	Current scenario II +25%	Current scenario III +50%
CDI rate (p.a.)	12.15%	15.19%	18.23%
IGPM rate (p.a.)	4.55%	5.69%	6.83%
IPCA rate (p.a.)	5.31%	6.64%	7.97%
TJLP*	7.20%	9.00%	10.80%
Assets and liabilities, net (Parent)			
CDI rate	683,063	786,804	807,552
IPCA rate	105,575	112,583	113,984
TJLP rate	55,121	60,082	61,075
	<u>843,759</u>	<u>959,469</u>	<u>982,610</u>
Assets and liabilities, net (Consolidated)			
CDI rate	1,993,099	2,295,801	2,356,342
IGPM rate	479,913	507,208	512,667
IPCA rate	53,285	58,780	59,512
TJLP rate	55,121	58,081	59,040
	<u>2,581,418</u>	<u>2,919,870</u>	<u>2,987,561</u>

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

(iv) Currency risk

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

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

In March 2021, Centro Paulista de Oncologia S.A. contracted a borrowing in the amount of US\$24,000 with principal maturity in September 2022. Similarly, a swap transaction was contracted to eliminate the foreign currency exposure risk, swapping the Libor USD plus spread for the CDI fluctuation and defining a foreign exchange rate at the amount of R\$5.6450.

On September 6, 2022, the Company carried out the 1st issuance of CRI (Real Estate Receivables Certificate), which was backed by non-convertible, unsecured debentures, with additional fidejussory guarantee. 500,000 debentures with par value of R\$1 each were issued, in the total amount of R\$500. For the second and third series, the obligations were converted into index derivative instrument (swap).

- Second series: IPCA + 6.50%
- Third series: CDI + 1.30%

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	Parent		Net
	Maturity range	Fair value	
Swap:	09/06/2022		
Long position	100% IPCA + 6.8269%	R\$69,152	
Short position	100% CDI-CETIP + 1.30%	R\$71,651	(2,499)
Swap:	09/06/2022		
Long position	100% IPCA + 6.7040%	R\$206,303	
Short position	100% CDI-CETIP + 1.16%	R\$213,916	(7,613)
	Hospital de Oncologia do Meier S.A.		
Description	Maturity range	Fair value	Net
Swap:	06/15/2022		
Long position	100% USD + 5.94%	R\$72,560	1,029
Short position	100% CDI-CETIP + 1.9%	R\$71,531	

Description	Consolidated - 2021		Net
	Maturity range	Fair value	
Swap:	09/19/2022		
Long position	100% LIBORUSD + 2.20%	R\$135,109	
Short position	100% CDI-CETIP + 2.67%	R\$137,667	(2,558)

(b) Capital management

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

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

There were no changes in the Group's capital management approach during the year. The Group manages the capital requirements on a consolidated basis.

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

	Consolidated	
	2022	2021
Total borrowings and financing (note 17)	1,360,179	1,158,497
Derivative financial instruments (note 6)	11,142	2,558
Total debentures (note 18)	1,745,163	999,646
Total payables for acquisition (note 21)	769,867	454,507
Less: cash and cash equivalents and securities	(1,104,946)	(2,050,637)
Net debt (*)	2,781,405	564,571
Total equity	2,632,456	2,304,943
Total capital (equity + net debt)	5,412,879	2,869,514
Financial leverage ratio - %	49%	20%

(*) Management does not consider the trade payables – payor risk transactions as part of the Group's capital management.

(c) Estimate of fair value through profit or loss

Considering the nature and terms of transactions, the Company's Management believes that the carrying amounts of financial assets and financial liabilities measured at amortized cost, except for related-party balances (whose respective nature and conditions are disclosed in note 31), as well as the balances of borrowings and financing and debentures, approximate their respective fair values.

Financial assets measured at fair value comprise derivative financial instruments, which measurement is based on observable market inputs (Level 2) and contingent consideration assumed in business combination (Level 3). The Company uses the present value discounted cash flow method to measure the instrument. The main information used as a basis for the measurement is revenue growth, cost and expense calculation and discount rate.

(e) Financial instruments by category

Financial instruments	Measurement	Parent			
		Carrying amount 2022	Fair value 2022	Carrying amount 2021	Fair value 2021
Cash and cash equivalents	Amortized cost	79,931	(*)	398,436	(*)
Securities and financial assets	Amortized cost	594,116	(*)	149,305	(*)
Trade receivables	Amortized cost	33,262	(*)	29,515	(*)
Escrow deposits	Amortized cost	7,578	(*)	7,850	(*)
Disposal of equity interests	Amortized cost	19,615	(*)	18,753	(*)
Related parties	Amortized cost	191,905	(*)	81,642	(*)
		<u>926,407</u>	<u>-</u>	<u>685,501</u>	<u>-</u>
<u>Financial liabilities</u>					
Trade payables	Amortized cost	50,589	(*)	37,744	(*)
Borrowings and financing	Amortized cost	559,621	732,487	110,649	136,076
Debentures	Amortized cost	746,260	(*)	-	-
Payables - Fundação Ary	Amortized cost	3,589	(*)	6,551	(*)
Corporate right	Amortized cost	18,962	(*)	8,155	(*)
Dana Farber	Amortized cost	59,989	(*)	-	(*)
Vision Partnership	Amortized cost	12,467	(*)	-	-
Related parties	Amortized cost	380,455	(*)	3,130	(*)
Payables for acquisitions	Fair value (Level 3)	86,220	86,220	19,434	19,434
Payables for acquisitions	Amortized cost	17,764	(*)	16,099	(*)
		<u>1,935,880</u>	<u>-</u>	<u>201,762</u>	<u>-</u>
<u>Consolidated</u>					
Financial instruments	Measurement	Carrying amount 2022	Fair value 2022	Carrying amount 2021	Fair value 2021
Cash and cash equivalents	Amortized cost	263,208	(*)	536,838	(*)
Securities and financial assets	Amortized cost	841,738	(*)	1,513,799	(*)
Trade receivables	Amortized cost	1,379,614	(*)	666,151	(*)
Escrow deposits	Amortized cost	18,422	(*)	12,599	(*)
Disposal of equity interests	Amortized cost	21,738	(*)	20,546	(*)
Related parties	Amortized cost	32,311	(*)	31,308	(*)
		<u>2,557,031</u>	<u>-</u>	<u>2,781,241</u>	<u>-</u>

Financial instruments	Measurement	Consolidated			
		Carrying amount	Fair value	Carrying amount	Fair value
		2022	2022	2021	2021
Financial liabilities					
Trade payables	Amortized cost	604,785	(*)	427,339	(*)
Trade payables - payor risk	Amortized cost	183,781	(*)	-	-
Borrowings and financing	Amortized cost	1,360,179	1,551,573	1,158,497	1,364,953
Derivative liabilities - swap	Fair value (Level 2)	11,142	11,142	2,558	2,558
Debentures	Amortized cost	1,745,163	1,695,337	999,646	1,006,529
Payables - Fundação Ary	Amortized cost	3,589	(*)	6,551	(*)
Partnership - CSSJ	Amortized cost	21,617	(*)	14,432	(*)
Partnership - Hospital Felício Rocho	Amortized cost	67	(*)	10,630	(*)
Redemption of shares	Amortized cost	24,324	(*)	62,862	(*)
Partnership - CEON	Amortized cost	-	(*)	23,000	(*)
Payables for acquisitions	Amortized cost	370,516	(*)	397,080	(*)
Payables for acquisitions	Fair value (Level 3)	389,492	389,492	57,427	57,427
Exclusivity right	Amortized cost	61,008	(*)	12,607	(*)
Dana	Amortized cost	59,989	(*)	-	(*)
Vision Partnership	Amortized cost	12,467	(*)	-	(*)
Related parties	Amortized cost	2,570	(*)	8,541	(*)
		<u>4,860,548</u>	<u>-</u>	<u>3,181,170</u>	<u>-</u>

(*) Except for the related-party balances, whose nature and conditions are disclosed in note 31, and the borrowings, debentures and financing, 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, and are adjusted by allowances, present values and/or adjusted by floating rates.

31. 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:

- i) Transfer of funds between Group companies (intragroup loans): Management transfers funds between Group companies. Balances are partially eliminated on consolidation. These balances are mostly adjusted by the IPCA and CDI. 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 are shared among the other Group entities based on apportionment criteria that take into account the contribution of each entity for the Group's operations. Payments are made on a monthly basis and are not adjusted. These balances are mainly eliminated in the consolidated financial statements.
- 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 the Group subsidiaries. The deadline for realization of the balance is the ratification of credits and debits by the Brazilian Federal Revenue Service. These balances are eliminated in the consolidated financial statements.

31.1. Related parties (assets)

Assets	Parent		Consolidated	
	2022	2021	2022	2021
<u>Intragroup loans (i)</u>				
Related parties:				
Centro Paulista de Oncologia S.A.	-	-	973	973
Núcleo de Oncologia da Bahia (i.a)	67,547	-	-	-
Cruz Participações Ltda (Talassa)	2,521	2,143	-	-
Centro Mineiro de Infulsões S.A.	1,000	1,000	-	-
CGS Faria Lima	710	-	-	-
JHSL Consultoria S.A.	2,182	-	-	-
Radioterapia Oncoclínicas Recife S.A. (i.b)	-	8,058	-	-
Núcleo de Hematologia e Transplante	-	-	111	111
Pontus Participações Ltda	465	465	-	-
CTR Anápolis	-	-	-	3,100
Noncontrolling shareholders (i.c)	31,227	27,124	31,227	27,124
Total intragroup loans (a)	<u>105,652</u>	<u>38,790</u>	<u>132,311</u>	<u>31,308</u>

	Parent		Consolidated	
	2022	2021	2022	2021
<u>Apportionments (ii)</u>				
Nature:				
Shared Service Center	69,421	28,813	-	-
Project – units construction	8,254	5,461	-	-
Other	4,471	4,471	-	-
Total apportionments (b)	<u>82,146</u>	<u>38,745</u>	<u>-</u>	<u>-</u>

Special Tax Regularization Program (PERT) (iii)	Parent		Consolidated	
	2022	2021	2022	2021
Related parties:				
Centro Tratamento Oncológico S.A.	2,454	2,454	-	-
Núcleo de Oncologia de Sergipe S.A	107	107	-	-
Radioterapia Botafogo S.A.	267	267	-	-
Centro de Quimioterapia Oncoclínicas	241	241	-	-
Centro Capixaba de Oncologia S.A.	80	80	-	-
Hematológica Clínica de Hematologia SA	958	958	-	-
Total PERT (c)	<u>4,107</u>	<u>4,107</u>	<u>-</u>	<u>-</u>
Total (a) + (b) + (c)	<u>191,905</u>	<u>81,642</u>	<u>32,311</u>	<u>31,308</u>

- i.a. Refers to intragroup loans with Núcleo de Oncologia da Bahia S.A (“NOB”), which are monthly adjusted by the CDI rate. The intragroup loan agreements have a two-year term and can be settled before maturity.
- i.b. Refers to intragroup loans with Radioterapia Oncoclínicas Recife S.A., 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. and mature in August 2023.

31.2. Dividends receivable - Parent

	Parent	
	2022	2021
<u>Dividends receivable</u>		
Related parties:		
CPO SP	4,626	-
Centro Mineiro de Infusões S.A.	8,306	4,367
Oncoclínicas Salvador S.A.	329	308
Centro de Tratamento Oncológico S.A.	9,175	5,975
Oncocentro Imagem Serviços Médicos Ltda.	8,342	-
Oncopar Sul Empreendimentos e Participações Ltda.	1,406	-
Centro Brasileiro de Radioterapia Oncologia e Mastologia Cebrom Ltda (Cebrom)	1,753	-
Oncologia Participações Ltda.	139	-
Hematológica - Clínica de Hematologia S.A.	2,776	-
Navarra RJ (Leste Fluminense S.A.)	4,271	2,074
CPO - Centro Paraibano de Oncologia S.A.	276	51
Instituto de Oncologia de Ribeirão Preto S.A.	21	35
	<u>41,420</u>	<u>12,810</u>

31.3. Advance for future capital increase (assets)

	Parent		Consolidated	
	2022	2021	2022	2021
<u>Advance for future capital increase</u>				
Related parties:				
Oncopar Sul Empreendimentos e Participações Ltda.	2,655	2,607	-	-
Centro Mineiro de Infusões S.A.	2,317	295,694	-	-
Oncologia Participações Ltda.	37	169	-	-
Oncohematologia Participações Ltda.	-	41,013	-	-
Radioterapia Oncoclínicas São Paulo Ltda.	-	1,584	-	-
Oncobio Serviços de Saúde S.A.	2,300	11,753	-	-
Centro de Excelência de RT do Rio de Janeiro S.A.	-	3	-	-
Oncoclínica Centro de Tratamento Oncológico S.A.(CTO)	125,516	81,792	-	-
Central de Gestão e Saúde Ltda.	500	-	-	-
Idengene Medicina Diagnóstica S.A.	50,184	34,848	-	-
Radioterapia Oncoclínicas Recife S.A.	-	45	-	-
Oncoclínicas Participações SP Ltda.	1,200	-	-	-
Centro Paulista de Oncologia S.A.	141,778	-	-	-
Pontus Participações Ltda.	21,840	15,788	-	-
Locus Anat. Patol. e Citologia Ltda.	-	1,500	-	-
Oncologia Participações RJ ES Ltda.	1,300	29,230	-	-
Navarra RJ (Leste Fluminense S.A.)	-	-	-	-
UMC Imagem Ltda.	136	17,176	-	-
Talia Participações Ltda.	-	20	-	-
CTC Oncologia S.A.	20	20	-	-
Radioterapia Oncoclínicas Ribeirão Preto Ltda.	20	20	-	-
Other			-	1,738
Total	<u>349,803</u>	<u>533,262</u>	<u>-</u>	<u>1,738</u>

31.4. Related parties (liabilities)

Liabilities	Parent		Consolidated	
	2022	2021	2022	2021
<u>Intragroup borrowings</u>				
Intragroup borrowings - Complexo UMC (i)	-	-	-	7,678
Intragroup borrowings - Multihemo (ii)	322,661	-	-	-
Intragroup borrowings - Centro Paulista de Oncologia (iii)	55,079	-	-	-
Apportionments payable	2,715	3,130	2,570	863
Total	<u>380,455</u>	<u>3,130</u>	<u>2,570</u>	<u>8,541</u>

- i. Refers to intragroup borrowing transactions with shareholders of Complexo Hospitalar de Uberlândia, which are adjusted by interest of 1.33% p.m. The intragroup borrowing agreements have an average term of five year, beginning 2018.
- ii. Refers to intragroup borrowing transaction with subsidiary Multihemo Serviços Médicos S.A., which is adjusted by interest of 100% of the CDI rate + 1.9% p.a., maturing in July 2023.
- iii. Refers to intragroup borrowing transaction with CPO SP, which is adjusted by interest of 100% of the CDI rate + 1.9% p.a., maturing in July 2023.

Gain (loss) on related-party transactions	Parent		Consolidated	
	2022	2021	2022	2021
<u>Revenue</u>				
Interest on intragroup loans	9,019	3,771	6,792	3,081
<u>Expenses</u>				
Interest on intragroup borrowings	26,444	6,473	-	-
Apportionment of expenses	228,579	174,810	-	-
Cost of services (i.e)	2,007	3,232	9,364	7,578

- (i.e) Also, the Group has entered into service agreements with companies owned by some of its directors in the amount, 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.

31.5. Dividends payable

	<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>
<u>Dividends payable</u>		
Multihemo Serviços Médicos S.A.	1,953	1,952
Núcleo de Oncologia da Bahia S.A.	661	597
Onco Vida Instituto Especializado de Oncologia Clínica S.A.	153	-
Núcleo de Oncologia de Sergipe S.A (NOS)	844	844
Pro Onco Centro de Tratamento Oncológico S.A.	145	130
Aliança Instituto de Oncologia S.A.	10,060	11,595
Navarra RJ (Leste Fluminense S.A.)	7,904	4,142
Angara Participações S.A.	1,658	1,260
Yukon Participações S.A.	571	854
Instituto de Oncologia de Ribeirão Preto S.A.	65	109
COT - Centro Oncológico do Triângulo S.A.	793	937
Oncoclínicas Participações Minas Gerais S.A.	40	14
Baikal Participações S.A.	1,866	1,196
Instituto de Hematologia e Oncologia de Curitiba S.A. – Clínica Médica	608	312
CECON - Centro Capixaba de Oncologia S.A.	229	160
Centro de Excelência Oncológica S.A. – CEON	19,516	-
Radiogroup Participações S.A.	25	-
Total	<u>47,091</u>	<u>24,102</u>

31.6. Advance for future capital increase (liabilities)

	<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>
<u>Advance for future capital increase</u>		
Subsidiaries:		
Oncobio Serviços de Saúde S.A.	-	2,432
Onco Vida Instituto Especializado de Oncologia Clínica S.A.	2,492	2,492
Other	3,859	500
Total	<u>6,351</u>	<u>5,424</u>

Management compensation

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

In the year ended December 31, 2022, Management compensation was R\$18,284 (R\$26,652 in December 2021) as short-term benefits, such as payroll, related taxes and other. As long-term benefits, the Company recognized expenses related to the stock option granting program (stock options) of R\$9,032 (R\$66,232 as at December 31, 2021). There are no other benefits granted to Management, 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.

32. INSURANCE

The Company has insurance coverage based on the risks associated to its operations. The insurance policy is directly taken by Oncoclínicas, 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\$5,000	12/14/2023
D&O administrative liability	R\$100,000	04/29/2023
E&O professional liability	R\$30,000	12/18/2023
Property	R\$46,794	12/31/2023

33. NON-CASH TRANSACTIONS

a) Non-cash transactions

	Note	Parent		Consolidated	
		2022	2021	2022	2021
Acquisitions due to business combinations					
Amount of cash and cash equivalents acquired	4	-	-	(52,697)	(5,683)
<u>Statement of cash flows</u>					
Amount paid on acquisitions	4	555,533		872,058	408,183
Payment in business acquisitions, net of cash acquired		555,533	-	819,361	402,500
Trade receivables					
Variation in trade receivables		3,747	4,511	713,463	169,606
Recognition (reversal) of allowance for expected credit losses and provision for disallowances	25	20	(6,832)	99,308	48,712
<u>Non-cash effect</u>					
Receivables acquired through business combination	4	-	-	(196,368)	(46,744)
Offset of trade receivables - CSSJ partnership	22	-	-	7,165	10,471
Offset of trade receivables - Unimed	22	-	-	52,512	-
Total effects on the statement of cash flows		3,767	(2,321)	676,101	182,045
Dividends received					
Variation in dividends receivable		(28,610)	(10,463)	-	-
<u>Non-cash effect</u>					
Transfer of dividends receivable out of the investment account	11	44,001	50,195	-	-
Total effects on the statement of cash flows		15,931	39,732	-	-
Property and equipment and intangible assets					
Variation in property and equipment		(5,520)	(3,729)	228,867	74,623
Variation in intangible assets		187,018	(985)	1,676,055	1,040,176
Total variation in property and equipment and intangible assets		181,798	(4,714)	1,904,922	1,114,799
Depreciation of property and equipment	12	8,461	9,539	64,371	59,348
Amortization of intangible assets	13	18,245	11,032	60,734	38,902
Write-off of property and equipment	12	5	157	1,960	1,100

	Note	Parent		Consolidated	
		2022	2021	2022	2021
<u>Non-cash effect</u>					
Intangible assets – exclusivity right	13	(18,360)	-	(74,397)	-
Intangible assets – customer portfolio	13 and 21.b)	(12,303)	-	(41,361)	(390,991)
Intangible assets - intellectual property - Dana Farber	13	(67,242)	-	(67,242)	-
Transfer of corporate restructuring asset (presentation in the Interim Financial Information for the corresponding period)		-	18,217	-	-
Exchange rate fluctuation of goodwill – translation to presentation currency		-	-	2,336	(2,471)
Goodwill relating to business combinations	13	-	-	(1,484,216)	(564,098)
Reclassification of imports in progress (property and equipment) to inventories	12	-	-	-	2,669
Reclassification of equipment to recoverable taxes	12	-	1,449	-	2,799
Property and equipment and intangible assets acquired through business combination	4	-	-	(148,331)	(73,612)
Other non-cash transactions	13	-	-	81,404	-
Total effects on the statement of cash flows		<u>110,603</u>	<u>35,680</u>	<u>300,179</u>	<u>188,445</u>
Acquisition of property and equipment	12	<u>3,246</u>	<u>7,413</u>	<u>149,815</u>	<u>68,912</u>
Acquisition of intangible assets	13	<u>107,357</u>	<u>28,267</u>	<u>150,364</u>	<u>119,533</u>
Advance for future capital increase – ASSETS					
Variation in advance for future capital increase - assets		<u>(183,459)</u>	<u>411,206</u>	<u>1,738</u>	<u>(1,738)</u>
<u>Non-cash effect</u>					
Transfer of advance for future capital increase to increase of capital in the investment	11	727,719	156,489	-	-
Advance for future capital increase acquired through business combination	4	-	-	-	1,738
Other	11	-	5,400	-	-
Total with cash effect of the advance for future capital increase		<u>544,260</u>	<u>573,095</u>	<u>1,738</u>	<u>-</u>
Advance for future capital increase – LIABILITIES					
Variation in advance for future capital increase - liabilities		-	-	927	(3,052)
<u>Non-cash effect</u>					
Transfer of advance for future capital increase to capital increase made by noncontrolling shareholders in equity		-	-	-	5,138
Advance for future capital increase acquired through business combination	4	-	-	(2,081)	-
Total with cash effect of the advance for future capital increase		<u>-</u>	<u>-</u>	<u>(1,154)</u>	<u>2,086</u>
Payroll and related taxes					
Variation in payroll and related taxes		(145)	(125,970)	8,919	(113,811)
Phantom Shares provision		-	(69,163)	-	(69,163)

	Note	Parent		Consolidated	
		2022	2021	2022	2021
<u>Non-cash effect</u>					
Obligations acquired through business combination	4	-	-	-	(11,492)
Phantom Shares settled through delivery of shares	18	-	161,482	-	161,482
Withholding income tax on share delivery	18	(9,120)	(44,367)	(9,210)	(44,367)
Transfer of SOP to equity	18	-	12,107	-	12,107
Total effects on the statement of cash flows		<u>(9,355)</u>	<u>(65,910)</u>	<u>(19,872)</u>	<u>(65,244)</u>
Taxes payable					
Variation in taxes payable		221	(2,276)	24,292	(21,438)
Income tax and social contribution paid		-	-	60,443	33,500
<u>Non-cash effect</u>					
Offset of credits		-	-	25,971	62,290
Taxes payable acquired in business combinations	4	-	-	(31,696)	(12,567)
Offset - PERT homologated	10	-	1,634	-	19,170
Total effects on the statement of cash flows		<u>221</u>	<u>(644)</u>	<u>79,009</u>	<u>80,954</u>
Acquisitions payable					
Variation in acquisitions paid		68,415	(51,589)	315,360	(699,283)
Interest incurred	27	(4,101)	-	(34,293)	-
Present and fair value adjustment	27	(5,138)	-	(26,682)	-
<u>Non-cash effect</u>					
Cash acquired in business combinations	4	-	-	52,697	5,683
Call option	21	(15,884)	-	(31,815)	-
Consideration assumed	21	(826,414)	-	(1,513,165)	-
Offset of credit – CAM and Unity shareholders	21	-	-	291,195	-
Adjustment relating to 2021	21	-	-	12,200	-
Total effects on the statement of cash flows		<u>(555,869)</u>	<u>(51,589)</u>	<u>(904,504)</u>	<u>(693,599)</u>
Payment of business acquisitions, net of cash	4	<u>(555,533)</u>	-	<u>(819,361)</u>	<u>(402,500)</u>
Payment of charges		<u>(367)</u>	-	<u>(24,356)</u>	-
Payment of acquisition in installments		<u>(1,336)</u>	<u>(51,589)</u>	<u>(90,787)</u>	<u>(291,999)</u>
Capital					
Variation in the balance of capital		42,582	9,590	42,582	5,339
<u>Non-cash effect</u>					
Transfer of decrease of payable capital to unpaid capital	24	-	(5,339)	-	(5,339)
Related party (loan)	24	-	(4,251)	-	(4,251)
Capital contribution through business combination - Unity	24	<u>(42,582)</u>	-	<u>(42,582)</u>	-
Total effects on the statement of cash flows		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

34. EVENTS AFTER THE REPORTING PERIOD

On January 31, 2023, the Company signed final documents for the construction of a new modern hospital complex and integrated cancer treatment center in the city of Goiânia (“Cancer Center Goiânia”). Cancer Center Goiânia will occupy a total area of roughly 34 thousand m², with estimated investments of approximately R\$145,000 and estimated completion of approximately 36 months. The investment will be disbursed only after the completion of the construction works, as the project will be developed on the build-to-suit method, thus optimizing the Company’s capital allocation.

On February 3, 2023, Baikal Oncologia e Participações S.A. (“Baikal”), the Company’s subsidiary, signed a purchase and sale agreement for 100% of the shares of Instituto Paulista De Oncologia E Cuidados Paliativos Ltda (“Innomed”) at the amount of R\$10,000.

The closing of the transaction above is subject to the signature of the final documents and compliance with certain conditions precedent usual and set forth in the transaction documents.

On January 31, 2023, Oncoclínicas Participações São Paulo Ltda. (“OPSP”), the Company’s subsidiary, has completed the acquisition through a share purchase and sale agreement entered into with the remaining shareholders of Aliança Instituto de Oncologia S.A. (“Aliança”), through which OPSP has acquired common shares corresponding to 20% of the capital of Aliança; and (b) a share purchase and sale agreement entered into with the remaining shareholders of Onco Vida Instituto Especializado de Oncologia Ltda. (“OncoVida”), through which OPSP has acquired shares corresponding 15.96% of the capital of OncoVida. In consideration for the acquisition of shares of Aliança and OncoVida, the buyer will pay to the respective sellers of Aliança and OncoVida, as acquisition price: (i) the Variable Future Semiannual Price, calculated based on the adjusted profit or loss of Sociedades Oncoclínicas DF – corresponding to (i) Aliança; (ii) OncoVida Instituto; (iii) Clínica Ressonance S.A.; (iv) AIO - Instituto de Câncer de Brasília Ltda; (v) Cettro - Centro de Tratamento Oncológico Ltda., (vi) ICB Instituto de Câncer do Brasil Participações Ltda, in each of the six-month periods between 2023 and 2027, multiplied by the seller’s respective residual % interest; and (ii) the Variable Future Price, calculated based on the consolidated EBITDA of Sociedades Oncoclínicas DF determined in the 12 months prior to the payment of the Variable Future Price multiplied by the seller’s respective residual % interest and multiplied by the applicable valuation multiple based on the event that gave rise to the payment of the Variable Future Price. As a result of these acquisitions, Aliança and OncoVida became the wholly-owned subsidiaries of OPSP.

On February 1, 2023, subsidiary Centro Paulista de Oncologia S.A. has completed the acquisition of the shares corresponding to 100% of the capital of Unidade de Oncologia Clínica e Pediátrica Ltda. (“UOCP”) for the amount of R\$6,500, paid in cash and on demand on the transaction closing date. In this transaction, the total net assets acquired was R\$598, represented by total assets in the amount of R\$1,274 and total liabilities in the amount of R\$676. For purposes of business combination, due to expected synergies, the buyer recorded preliminary goodwill on expected future earnings in the amount of R\$5,902.

On February 2, 2023, UMC Imagem Ltda. (“UMI”), the Company’s subsidiary, completed the acquisition through a purchase and sale agreement for 100% of the shares of Cardiomobile Cardiologia Móvel Ltda. (“Cardiomobile”) at the amount of R\$2,900. As a result of such acquisition, Cardiomobile became a wholly-owned subsidiary of UMI. In this transaction, total net assets acquired was (R\$284), represented by total assets of R\$1,963 and total liabilities of R\$2,247. For purposes of business combination, due to expected synergies, the buyer recorded preliminary goodwill on expected future earnings in the amount of R\$3,184.

The allocations of goodwill mentioned above were provisionally in 2023 and the fair values of the assets acquired and liabilities assumed are being analyzed by the Company.

On February 8, 2023, the STF has ended the judgment and determined that a final decision on taxes continuously paid is null and void when the STF hands down a decision stating otherwise. Specifically in relation to Oncoclínicas Group, no situations classified in the situation described above are identified, that is, clinics that pay taxes based on a final and unappealable decision and that the STF’s understanding has been changed after the dismissal of the clinic’s lawsuit.

35. APPROVAL OF THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The Company's financial statements were approved and authorized for issue by the Board of Directors on March 28, 2023.
