

# GRUPO **Petz**

## 3Q24 Results

**Videoconference**

Thursday, November 07th

09am US ET | 11am BRT

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**Petz** CENTRO DE ESTUDOS  
**seres**

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PEEZ

  
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PET**



São Paulo, November 06th, 2024 – Pet Center Comércio e Participações S.A. (“Grupo Petz” or “Company”) (B3: PETZ3) announces its results for the third quarter of 2024 (3Q24).

Since 2019, our Financial Statements have been prepared in accordance with IFRS 16. To better represent the current economic reality of the business, the numbers in this report are presented under the previous reporting standard IAS 17 / CPC 06. The reconciliation with IFRS 16 in 2Q24 is available on pages 23-25.

From 1Q24 onwards, with the advancement of integration between Petz and the acquired companies, the Group’s results, including Revenue, **are presented in a consolidated form**.



**B3: PETZ3**  
R\$5.85 per share



**462.523.502**  
Total Shares



**R\$2.7 billion**  
Market Cap

Data as of: November 06th, 2024

## Summary of Results and Indicators (IAS 17)

**R\$ 1.0 bn**

**+7.6% y/y**

Gross Revenue (GR)

Record quarterly revenue

**R\$ 395.2 mm**

**+9.4% y/y**

Gross Profit

Gross Margin of 38.9% of GR  
(+0.6 p.p. y/y)

**+14.0% y/y**

Adjusted EBITDA<sup>1</sup>

**R\$ 74.6 mm**

Adjusted EBITDA Margin of 7.3% of GR  
(+0.4 p.p. y/y | +1.2 p.p. q/q)

**+120.1% y/y**

Net Income

**R\$14.9 mm**

Net Margin of 1.5% of GR RB  
(+0.7 p.p. y/y | +1.4 p.p. q/q)

**+15.4% y/y**

Growth of Accessories after 4  
consecutive quarters of decline

**257 stores**

+5 openings  
in the quarter

Grupo Petz R\$ thousands, unless otherwise stated	3Q24	3Q23	Δ	9M24	9M23	Δ
<b>Financial Results Grupo Petz</b>						
<b>Total Gross Revenue</b>	<b>1,016,667</b>	<b>945,072</b>	<b>7.6%</b>	<b>2,931,743</b>	<b>2,802,785</b>	<b>4.6%</b>
<b>Gross Profit</b>	<b>395,156</b>	<b>361,277</b>	<b>9.4%</b>	<b>1,142,025</b>	<b>1,099,722</b>	<b>3.8%</b>
% Total Gross Revenue	38.9%	38.2%	0.6 p.p.	39.0%	39.2%	(0.3 p.p.)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>74,575</b>	<b>65,431</b>	<b>14.0%</b>	<b>194,569</b>	<b>200,340</b>	<b>(2.9%)</b>
% Total Gross Revenue	7.3%	6.9%	0.4 p.p.	6.6%	7.1%	(0.5 p.p.)
<b>Net Income</b>	<b>14,893</b>	<b>6,768</b>	<b>120.1%</b>	<b>15,660</b>	<b>30,832</b>	<b>(49.2%)</b>
% Total Gross Revenue	1.5%	0.7%	0.7 p.p.	0.5%	1.1%	(0.6 p.p.)
<b>Adjusted Net Income<sup>2</sup></b>	<b>25,971</b>	<b>14,715</b>	<b>76.5%</b>	<b>37,823</b>	<b>58,456</b>	<b>(35.3%)</b>
% Total Gross Revenue	2.6%	1.6%	1.0 p.p.	1.3%	2.1%	(0.8 p.p.)
<b>Operational Indicators</b>						
Number of Stores	257	236	21	257	236	21
Store Openings	5	6	(1)	11	20	(9)
Footage (m <sup>2</sup> )	215,297	208,089	3.5%	215,297	208,089	3.5%

<sup>1</sup> Does not consider the effect of IFRS 16, in addition to the adjustments explained on page 16.

<sup>2</sup> Effects explained on page 17. Does not consider the effect of IFRS 16, therefore it should not be used as a reference for the basis for calculating dividends

## Message from the Management

In the last earnings call for the second quarter of 2024, we highlighted that, although the results picture was not necessarily positive, the Company's key indicators indicated an optimistic trend for the subsequent months. This expectation was confirmed in the third quarter **when the Company saw a significant acceleration in sales and a consistent evolution of its vital operational indicators.**

Therefore, the second half of 2024 started with a solid performance, driven by the increase in the customer and subscriber base, the significant reduction in churn, and the growth in coupons. **With 12-month inflation (LTM) under control and close to zero, our sales growth of 7.6% represented an increase in real terms,** a significant achievement in a market with low inflation rates, and reflects the positive impact of the strategic actions adopted to boost traded volumes. Additionally, **adopting a broader view of customer margin allowed us to optimize pricing, loyalty, and “cash margin” strategies,** strengthening the delivery of value to the customer and reinforcing our competitive position in the market.

In this third quarter, we also recorded record revenue for the Company, above R\$1,0 billion. **Even in a highly competitive market, we presented a consistent gross margin,** which was in line with the results presented in the first half of the year. Furthermore, **our net debt remains stable and very close to zero,** reinforcing our solid financial position and the lack of need to raise external resources in the short term.

**Our physical channel demonstrated resilience, significantly recovering and maintaining a flat performance y/y.** Another standout this quarter was the Accessories category, which achieved a remarkable 15.4% y/y growth after four consecutive quarters of decline. This result underscores our Company's agility and innovation, driven by a **portfolio review that included more affordable products** and the increased penetration of private brands.

Also, this quarter, **we relaunched Clubz , our benefits club,** which is now also available in paid versions and with even more benefits, expanding the value offer for our loyal customers and heavy users. In digital content, **we are exploring opportunities to monetize our digital channels through ads, via Petz TV, our communication and media channel,** with exclusive content for tutors, further expanding our reach and engagement with consumers.

**Technology,** one of our pillars, continues to be reinforced. **We started developing artificial intelligence projects to transform the customer experience and optimize our internal processes.** In our call center, we started a project to automate several functions to empower stores to offer more efficient service. Furthermore, we are reinforcing automatic pricing tools and investing in a robust data engineering project that will facilitate the integration of these solutions, ensuring adequate infrastructure to support our growth.

Another fundamental pillar of our recent performance is **Private Labels.** Month after month, we have launched new products in different categories, with significant initiatives to define the assortment, strategic campaigns, and go-to-market approach. **We are very excited about the official launch of Selections dry food,** now available in some of our stores, and the introduction of 180 new exclusive “Spike” brand SKUs in the toy category. **The big highlight of the quarter was the launch of Zee.Dog's collab with Marvel, which contributed to the growth of +17.5% in the Zee.Dog Accessories category.**

## Message from the Management

These results reinforce our confidence in Grupo Petz's growth strategy, demonstrating not only our resilience but also our ability to create experiences that delight our customers. This further strengthens our relationship with both pet owners and their pets. **By balancing our focus on competitiveness with operational improvements and cost optimization, we are well-positioned to capture even stronger results in the upcoming quarters.**

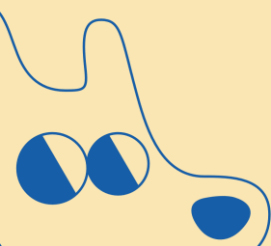
## Update on the Merger Agreement between **Petz** and **Cobasi**

The submission process to the Administrative Council for Economic Defense ("CADE") regarding the transaction with Cobasi is still ongoing. Discussions on the integration planning, which will take place after CADE's approval and the closing of the transaction, are also ongoing.

The integration planning is being led with the support of an international consultancy firm, ensuring alignment with global best practices and those in the omnichannel retail sector.

Among the various ongoing initiatives are the development of a master plan mapping all relevant company processes, the refinement of synergies, and a dedicated focus on people, talent, and organizational culture.

Additionally, the "pro forma" financial statements and the procedures for calling the Petz's Extraordinary General Meeting (EGM) are in the preparation phase, and completion is expected in the coming months.



Sergio Zimerman



## Highlights and Strategic Initiatives

### Growth recovery

- **Real growth of 8.0% in Products:** return to high single-digit growth
- Controlled LTM internal inflation (approximately 0% y/y)
- Better understanding of the **competitiveness of physical stores**



### Consistent growth of the customer base

- **+14% y/y increase in the number of active customers** in the Digital channel
- **Record of 524 thousand subscribers**, with a +20% y/y growth
- **Subscriber churn at an all-time low**, with a -1.0 p.p. reduction

### Improvement in private label and channels

- **Official launch of Selections dry food** (Premium category)
- Highlight of the **Zee.Dog x Marvel collaboration**, contributing to a **+17.5% growth in the Zee.Dog Accessories category**
- Transformation of more than **70 Petz stores into Zee.Now hubs**, expanding the delivery radius



### Strategic initiatives

- **Relaunch of CLUBZ**, our loyalty program, bringing more benefits and value to our customers
- Monetization opportunities through ads via **Petz TV**, our new media and communication channel, with exclusive content for pet owners and an initial structure for the development of retail media

## Income Statement

Grupo Petz R\$ thousands, unless otherwise stated	3Q24	3Q23	Δ	9M24	9M23	Δ
<b>Gross Revenue from Products and Services</b>	<b>1,016,667</b>	<b>945,072</b>	<b>7.6%</b>	<b>2,931,743</b>	<b>2,802,785</b>	<b>4.6%</b>
Taxes and other Deductions	(167,856)	(150,950)	11.2%	(487,819)	(450,135)	8.4%
<b>Net Revenue from Products and Services</b>	<b>848,811</b>	<b>794,122</b>	<b>6.9%</b>	<b>2,443,924</b>	<b>2,352,650</b>	<b>3.9%</b>
Cost of Goods Sold and Services Rendered	(453,655)	(432,845)	4.8%	(1,301,899)	(1,252,928)	3.9%
<b>Gross Profit</b>	<b>395,156</b>	<b>361,277</b>	<b>9.4%</b>	<b>1,142,025</b>	<b>1,099,722</b>	<b>3.8%</b>
<b>Operating Revenue (Expenses)</b>	<b>(320,581)</b>	<b>(295,846)</b>	<b>8.4%</b>	<b>(947,456)</b>	<b>(899,382)</b>	<b>5.3%</b>
Selling	(236,595)	(217,384)	8.8%	(697,758)	(649,468)	7.4%
General & Administrative	(79,117)	(73,366)	7.8%	(236,109)	(237,556)	(0.6%)
Other Operating Income (expenses), net	(4,869)	(5,096)	(4.5%)	(13,589)	(12,358)	10.0%
<b>Adjusted EBITDA</b>	<b>74,575</b>	<b>65,431</b>	<b>14.0%</b>	<b>194,569</b>	<b>200,340</b>	<b>(2.9%)</b>
Non-Recurring Results <sup>1</sup>	(8,847)	451	-	(15,147)	(8,456)	79.1%
Stock Option Plan <sup>2</sup>	(5,553)	(4,598)	20.8%	(16,659)	(10,009)	66.4%
Depreciation & Amortization	(45,762)	(41,038)	11.5%	(135,932)	(121,981)	11.4%
<b>Operating Profit before Financial Income</b>	<b>14,413</b>	<b>20,244</b>	<b>(28.8%)</b>	<b>26,831</b>	<b>59,879</b>	<b>(55.2%)</b>
<b>Financial Results</b>	<b>530</b>	<b>(8,777)</b>	<b>-</b>	<b>(26,026)</b>	<b>(11,547)</b>	<b>125.4%</b>
Financial Income	27,476	19,467	41.1%	64,556	58,592	10.2%
Financial Expenses <sup>3</sup>	(26,946)	(28,244)	(4.6%)	(90,582)	(70,139)	29.1%
<b>Earnings before Income Tax and Social Contribution</b>	<b>14,943</b>	<b>11,467</b>	<b>30.3%</b>	<b>805</b>	<b>48,332</b>	<b>(98.3%)</b>
Income Tax and Social Contribution	(50)	(4,699)	(98.9%)	14,855	(17,500)	(184.9%)
<b>Net Income</b>	<b>14,893</b>	<b>6,768</b>	<b>120.1%</b>	<b>15,660</b>	<b>30,832</b>	<b>(49.2%)</b>
SOP, M&A, Non-Recurring and tax effects	11,078	7,947	39.4%	22,163	27,624	(19.8%)
<b>Adjusted Net Income</b>	<b>25,971</b>	<b>14,715</b>	<b>76.5%</b>	<b>37,823</b>	<b>58,456</b>	<b>(35.3%)</b>
<b>EBITDA</b>	<b>60,175</b>	<b>61,282</b>	<b>(1.8%)</b>	<b>162,763</b>	<b>181,860</b>	<b>(10.5%)</b>
<b>Adjusted EBITDA IFRS 16<sup>4</sup></b>	<b>132,585</b>	<b>119,926</b>	<b>10.6%</b>	<b>365,578</b>	<b>361,426</b>	<b>1.1%</b>

<sup>1</sup> Non-recurring explained on the page 16.

<sup>2</sup> Non-cash effect is accounted for from the moment the grants are distributed, taking into account the vesting period of each option. In this sense, it is worth mentioning that most of these expenses refer to the second option plan approved at the time of the IPO, and calculated based on the share price in July/August 2021 (~R\$23/share).

<sup>3</sup> Contains the mark-to-market effect of the derivative related to the swap operation linked to the "4131" financing line, in dollars. It is worth noting that there is no cash effect, and throughout the entire operation, which ends in March 2028, the combined result of the derivative instrument and exchange rate variation will be zero.

<sup>4</sup> More information on page 23.





# REVENUE



## Store Expansion

During 3Q24, the Company opened 5 new stores, located in Campinas-SP, São José dos Campos-SP, Aracaju-SE, Rio de Janeiro-RJ, and Goiânia-GO. As of the end of September, we operated a total of 257 stores, strengthening our leadership position as the largest Pet ecosystem in the country.

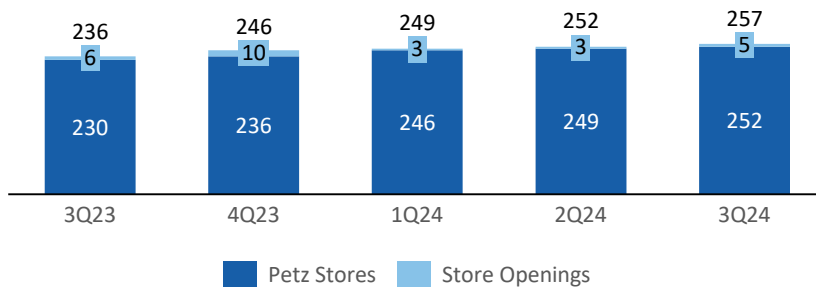
Currently, we are present in 24 states across all five regions of Brazil, with a concentration of 64% in the Southeast, 14% in the South, 10% in the Northeast, 9% in the Central-West, and 2% in the North.

**+5.2% y/y**  
Total sales area growth

**54% of stores have not reached maturity**  
8% are still in their 1st year

### Number of Petz Stores

Petz stores, Openings

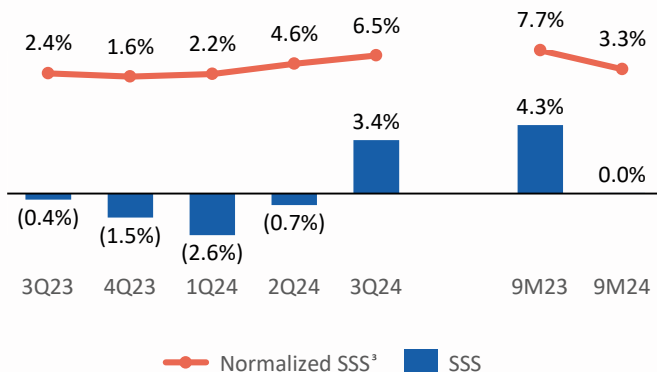


### Same Store Sales (SSS) Performance

SSS reported a performance of **+3.4% y/y in 3Q24**, showing **accelerated growth**. It is important to highlight that the **pet inflation**<sup>2</sup>, an indicator calculated based on internal assumptions, **was approximately 0% for the quarter**, meaning the reported growth is real and not influenced by price increases.

#### Same Store Sales Growth<sup>1</sup>

% Change, y/y



#### 4-Wall EBITDA (Stores)

% of Petz Stores Gross Revenue

Cohort	# Stores	EBITDA "4-wall" (3Q24 LTM)
until 2018	80	15.5%
2019	26	16.0%
2020	28	15.7%
2021	37	14.8%
2022	50	11.5%
2023	30	9.4%
2024	12	(7.2%)

<sup>1</sup> Starting from 3Q24, the methodology for calculating SSS now includes consolidated sales from Petz + Zee.Now. For better comparability, the figures for previous quarters have been updated to reflect Zee.Now sales in the comparison base.

<sup>2</sup> Pet inflation is calculated based on the price variation of all products sold by Petz, weighted by the revenue share of each product in total sales

<sup>3</sup> Excluding stores that were impacted by the opening of new Petz units in the influence areas and/or in the same city.



## Gross Revenue

Grupo Petz's Gross Revenue can be analyzed by segment (products and services sales) or by channels, as follows:

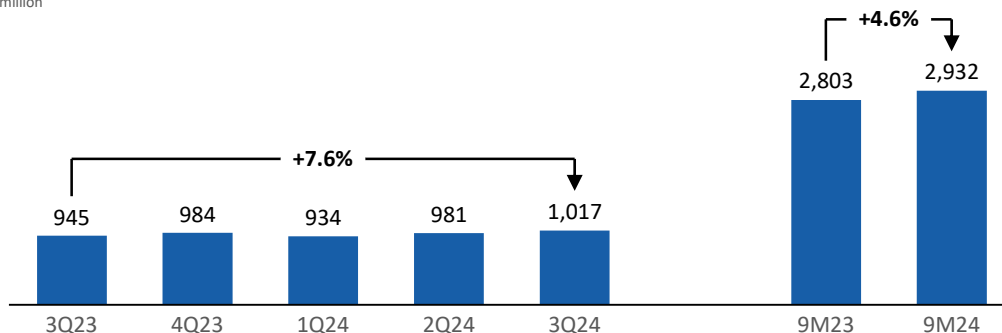
- Physical: originated in the Petz physical store network, Zee.Dog Brasil and B2B stores and franchises (Zee.Dog and Petix).
- Digital: originated through digital channels (Petz, Zee.Dog, Zee.Now), which consider Omnichannel sales (Pick-up and Ship from Store) and E-commerce (sales shipped directly to the customer from the distribution center).

Grupo Petz R\$ thousands, unless otherwise stated	3Q24	3Q23	Δ	9M24	9M23	Δ
<b>By Channel</b>						
Physical	571,136	572,876	(0.3%)	1,656,543	1,755,406	(5.6%)
Digital	445,531	372,196	19.7%	1,275,200	1,047,379	21.8%
<b>By Segment</b>						
Products	985,910	913,269	8.0%	2,844,601	2,704,489	5.2%
Services & Others	30,757	31,803	(3.3%)	87,142	98,296	(11.3%)
<b>Total Gross Revenue</b>	<b>1,016,667</b>	<b>945,072</b>	<b>7.6%</b>	<b>2,931,743</b>	<b>2,802,785</b>	<b>4.6%</b>

In 3Q24, Grupo Petz's Gross Revenue reached over R\$1.0 billion, reflecting a y/y growth of +7.6%, with the Digital channel standing out at +19.7% y/y for the quarter. For the 9 month-period, Gross Revenue grew by +4.6% y/y, totaling R\$2.9 billions.

### Total Gross Revenue

R\$ million



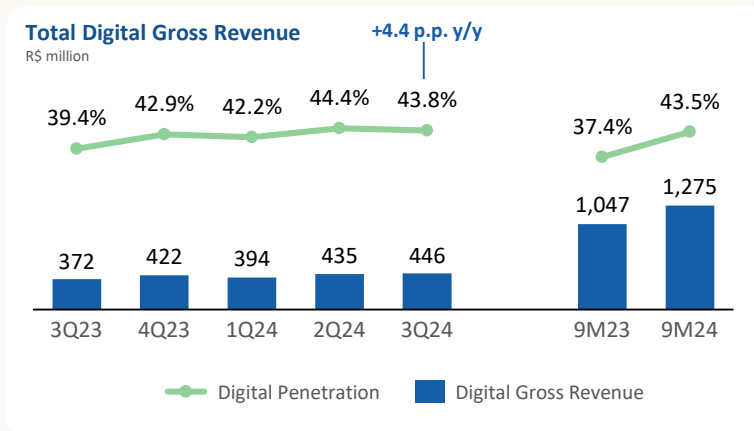
## Gross Revenue | Performance by Channel

Sales in the physical channel remained stable compared to the previous year. It is important to remember that 94% of Petz's digital sales are Omnichannel; that is, they are shipped from stores (Ship from Store) or collected at the store by the customer (Pick-up), which supports that **our stores continue to be a vital part of our business** and crucial for delighting our customers.

Grupo Petz's Digital Channel totaled R\$445.5 million in 3Q24, representing a significant y/y growth of +19.7%, already on a solid comparison basis in 3Q23 (+19.6% y/y). As a result, Digital Penetration reached 43.8% of Gross Revenue, an increase of +4.4 p.p. y/y.

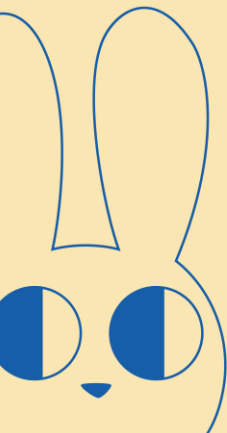
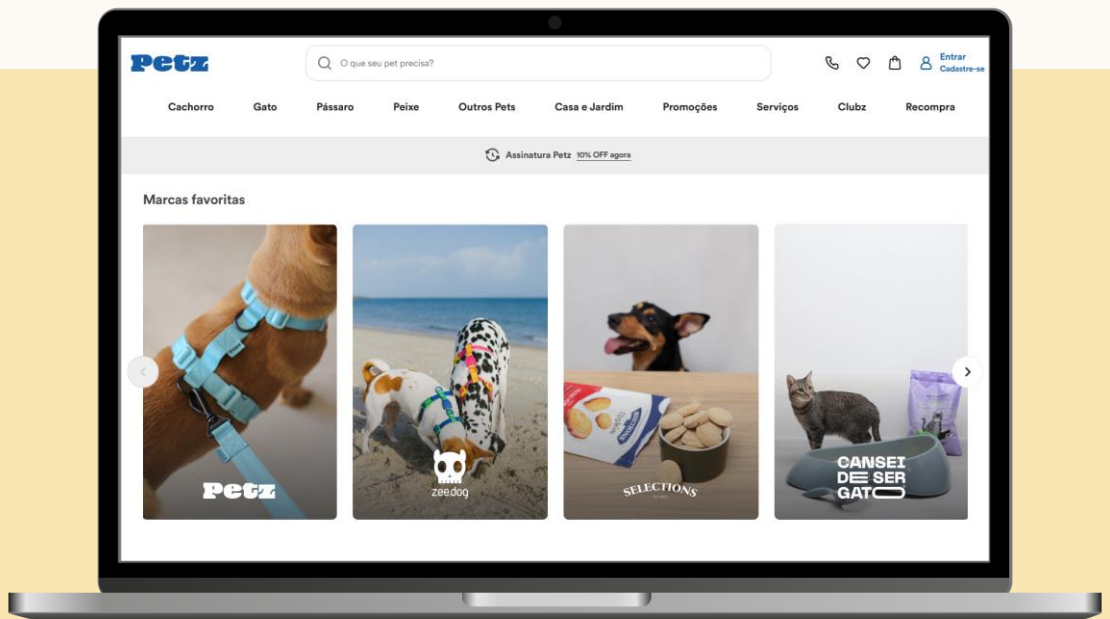
It is important to note that, during 2Q24, we updated our commercial strategy to offer products and services with more competitive and attractive conditions. As a result, we observed improvements in operational metrics throughout 3Q24, especially when compared to the same period last year:

- +14% y/y increase in the number of active customers in September/2024 in the Digital channel
- 524 thousand subscribers in September/2024 – a record level – **with growth of +20 y/y**, representing 30% of Petz's Revenues
- **Subscriber churn – all-time low**, with a reduction of -1.0 p.p. y/y



**94%**  
Omnichannel Sales

**95%**  
of Ship from Store sales  
delivered within 1 business day

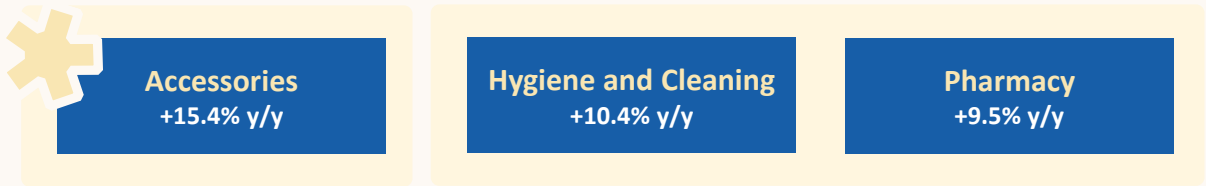
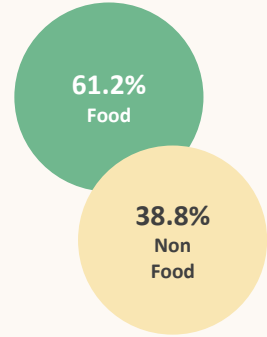


## Gross Revenue | Performance by Segment

Gross Revenue from Products grew by +8.0% y/y. In this third quarter, the major highlight was the **growth return in the Accessories category**, although all core categories showed uniform growth levels.

**The Food segment**, which is the “heart” of the Company and drives trends in other categories, **accounted for 61.2% of the Company’s total product revenue, recording a growth of +9.0% y/y.** This share is primarily due to the increasing penetration of the digital channel in sales, which naturally has a higher representation of this category.

Within Non-Food, **the most significant growth was seen in the Accessories category**, with +15.4% y/y, followed by **Hygiene and Cleaning items**, with a notable increase of +10.4% y/y, and the **Pharmacy category**, which grew by +9.5% y/y.



On the other hand, the Services and Others segment showed a decrease of -3.3% y/y even though we already saw an improvement in operational indicators throughout 3Q24 - such as an increase in (i) Bath and Grooming occupancy (B&G); (ii) number of baths per professional; and (iii) volume of veterinary procedures.

Despite the revenue decrease, **we have managed to increase profitability and cash margin compared to the previous year.** In this context, it is important to emphasize our strategic focus on revitalizing services by optimizing installed capacity and cost control, process review with a focus on customer experience, and service quality.





## Performance of Our Brands



The standout highlight of the quarter is the **growth in sales of Zee.Dog Accessories: +11.4% y/y** across all channels and +17.5% in national channels, driven primarily by the **successful collaboration with Marvel**.

The performance of the Store in Store concept in 4 Petz stores continues to show encouraging results, with significant increases in brand sales during the initial months of operation. The franchise channel is also expanding, totaling 16 stores.

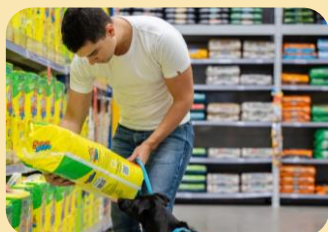
**Zee.Now achieved record revenue in 3Q24**, now benefiting from fully integrated synergies in systems, logistics, and product mix. This quarter, over 70 Petz stores became Zee.Now hubs, consequently expanding the channel's operational and delivery reach.

The **Global channel reported an accumulated growth of over 135% y/y for the 9-month period**, establishing a presence in key European markets such as the United Kingdom, Italy, Germany and France, with plans to launch the e-commerce channel in these countries by the end of the year.



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There has been a significant increase in the volume of **dog pads** at Petz, with Petix producing the entire line of private label pads under the Petz, Zee.Dog, and Fresh Pads brands, as well as the Super Secção brand – a leader in the dog pads segment across all channels. In this quarter, **the dog pads's category achieved a 83.0% market share for private label products**, in the Petz + Zee.Now channels, compared to 79.5% in the same period last year **(+3.5 p.p)**.



# FINANCIAL INDICATORS



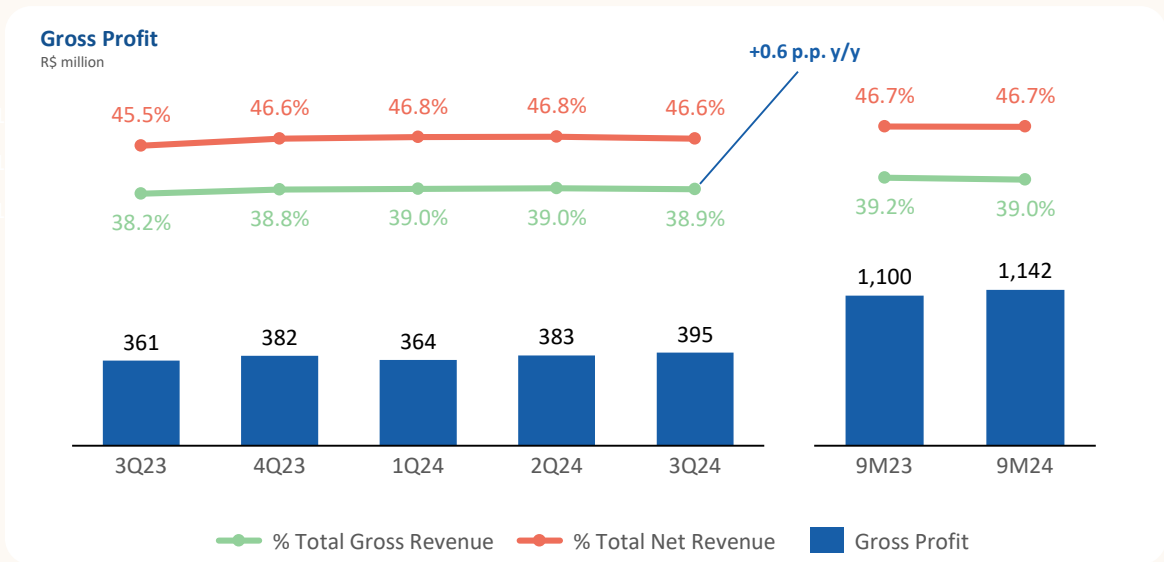


## Gross Profit

Gross Profit totaled **R\$395.2 million** in 3Q24 (+9.4% y/y), representing a gross margin of 38.9%, **an increase of +0.6 p.p. y/y and stable compared to 2Q24**. For the nine-month period, Grupo Petz's Gross Profit reached R\$1.1 billion (+3.8% y/y), with a gross margin of 39.0% (-0.3 p.p. y/y).

Even in a scenario of increased digital channel penetration, **the Gross Margin remained stable compared to the year's first half**, results from our ongoing efforts to identify opportunities and enhance efficiency in commercial and operational areas.

Since 2Q24, we have implemented new commercial policies aimed at balancing growth and profitability. These policies allow us to achieve more coherent operational results aligned with our growth strategy. **Our current strategy focuses on optimizing cash margin, which has increased compared to the previous year.**





## Operating Expenses

Grupo Petz	3Q24	3Q23	Δ	9M24	9M23	Δ
R\$ thousands, unless otherwise stated						
<b>Selling, General and Administrative Expenses</b>	<b>315,712</b>	<b>290,750</b>	<b>8.6%</b>	<b>933,867</b>	<b>887,024</b>	<b>5.3%</b>
<b>% Total Gross Revenue</b>	<b>31.1%</b>	<b>30.8%</b>	<b>0.3 p.p.</b>	<b>31.9%</b>	<b>31.6%</b>	<b>0.2 p.p.</b>
Selling Expenses	236,595	217,384	8.8%	697,758	649,468	7.4%
% Total Gross Revenue	23.3%	23.0%	0.3 p.p.	23.8%	23.2%	0.6 p.p.
General & Administrative Expenses	79,117	73,366	7.8%	236,109	237,556	(0.6%)
% Total Gross Revenue	7.8%	7.8%	0.0 p.p.	8.1%	8.5%	(0.4 p.p.)
<b>Others Operating Expenses</b>	<b>4,869</b>	<b>5,096</b>	<b>(4.5%)</b>	<b>13,589</b>	<b>12,358</b>	<b>10.0%</b>
<b>% Total Gross Revenue</b>	<b>0.5%</b>	<b>0.5%</b>	<b>(0.1 p.p.)</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.0 p.p.</b>
<b>Total Operating Expenses</b>	<b>320,581</b>	<b>295,846</b>	<b>8.4%</b>	<b>947,456</b>	<b>899,382</b>	<b>5.3%</b>
<b>% Total Gross Revenue</b>	<b>31.5%</b>	<b>31.3%</b>	<b>0.2 p.p.</b>	<b>32.3%</b>	<b>32.1%</b>	<b>0.2 p.p.</b>

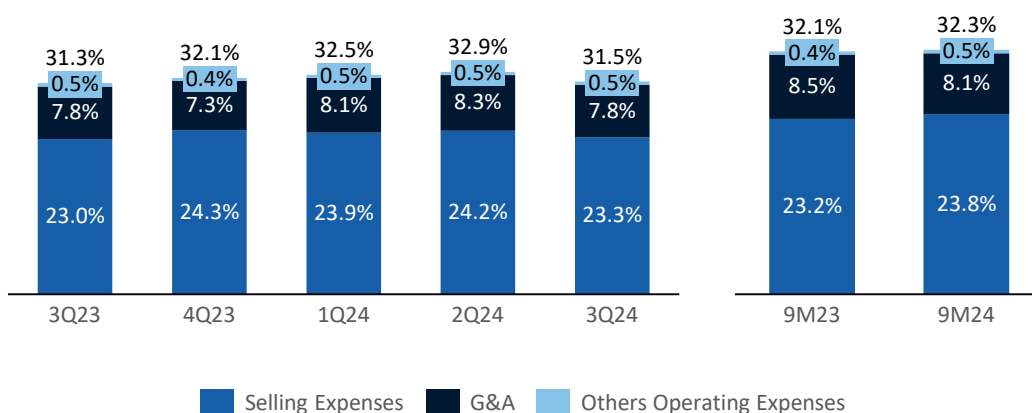
Grupo Petz's **Selling Expenses** totaled R\$236.6 million in 3Q24, reflecting an increase of +8.8% y/y, representing 23.3% of Gross Revenue, reflecting a pressure of +0.3 p.p. compared to the same period last year. This performance is primarily due to new store openings, considering that each store typically takes 6 months to reach breakeven. This results primarily in a lower percentage dilution of expenses, particularly those related to (i) personnel, (ii) rent, and (iii) transportation.

**General and Administrative (G&A) Expenses** amounted to R\$79.1 million in 3Q24, representing a y/y growth of +7.8% and accounting for 7.8% of Grupo Petz's Gross Revenue, remaining stable y/y.

Other Operating Expenses totaled R\$4.9 million in the quarter, representing 0.5% of total revenue, which is stable compared to 2Q23.

### Operating Expenses

% of Grupo Petz's Gross Revenue



## Adjusted EBITDA (IAS 17)

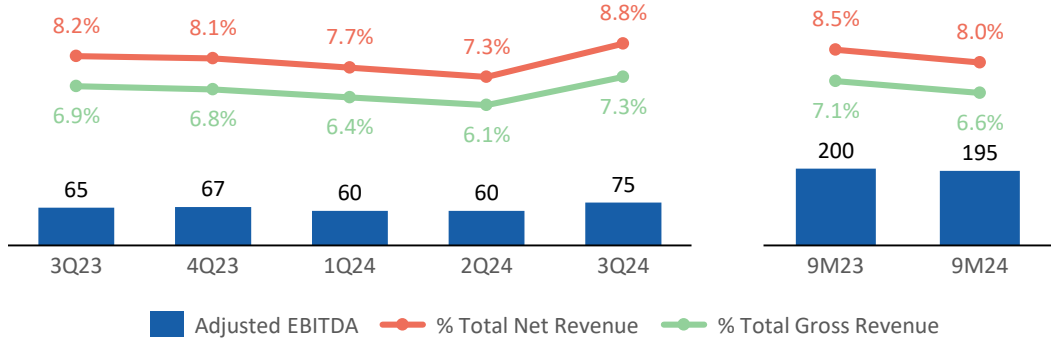
Grupo Petz	3Q24	3Q23	Δ	9M24	9M23	Δ
R\$ thousands, unless otherwise stated						
<b>Gross Revenue</b>	<b>1,016,667</b>	<b>945,072</b>	<b>7.6%</b>	<b>2,931,743</b>	<b>2,802,785</b>	<b>4.6%</b>
<b>Gross Profit</b>	<b>395,156</b>	<b>361,277</b>	<b>9.4%</b>	<b>1,142,025</b>	<b>1,099,722</b>	<b>3.8%</b>
% Gross Revenue	38.9%	38.2%	0.6 p.p.	39.0%	39.2%	(0.3 p.p.)
<b>EBITDA</b>	<b>60,175</b>	<b>61,282</b>	<b>(1.8%)</b>	<b>162,763</b>	<b>181,860</b>	<b>(10.5%)</b>
(+) Stock Option Plan (SOP)	5,553	4,598	20.8%	16,659	10,009	66.4%
(+) Write-off of PP&E	-	2	(100.0%)	-	15	(100.0%)
(+) Non-recurring results	8,847	(451)	-	15,147	8,456	79.1%
(+) Non-recurring income	-	3,743	(100.0%)	-	3,743	(100.0%)
(+) Non-recurring expenses	8,847	3,292	168.7%	15,147	12,199	24.2%
<b>Adjusted EBITDA</b>	<b>74,575</b>	<b>65,431</b>	<b>14.0%</b>	<b>194,569</b>	<b>200,340</b>	<b>(2.9%)</b>
Adjusted EBITDA /Total Gross Revenues	7.3%	6.9%	0.4 p.p.	6.6%	7.1%	(0.5 p.p.)
<b>Adjusted EBITDA IFRS 16</b>	<b>132,585</b>	<b>119,926</b>	<b>10.6%</b>	<b>365,578</b>	<b>361,426</b>	<b>1.1%</b>
Adjusted EBITDA IFRS 16/Total Gross Revenues	13.0%	12.7%	0.4 p.p.	12.5%	12.9%	(0.4 p.p.)

Grupo Petz's **Adjusted EBITDA** was R\$74.6 million in 3Q24 (+14.0% y/y), representing 7.3% of Gross Revenue (+0.4 p.p. y/y). This was positively impacted mainly by a +0.6 p.p. expansion in gross margin, but negatively affected by the increase in the share of digital channel sales during the period and lower operational leverage.

In 3Q24, Non-Recurring Results totaled R\$8.8 million, primarily attributed to expenses associated with the Merger Agreement with Cobasi, including some of the transaction's advisors fees and due diligence, as well as the recognition (non-cash) of R\$1.7 million related to the earnout portion of the Zee.Dog transaction.

### Adjusted EBITDA (IAS 17)

R\$ million



## Financial Result and Income Tax

Grupo Petz	3Q24	3Q23	Δ	9M24	9M23	Δ
R\$ thousands, unless otherwise stated						
<b>Earnings before Income Tax and Social Contribution</b>	<b>14,413</b>	<b>20,244</b>	<b>(28.8%)</b>	<b>26,831</b>	<b>59,879</b>	<b>(55.2%)</b>
<b>Financial Results</b>	<b>530</b>	<b>(8,777)</b>	<b>-</b>	<b>(26,026)</b>	<b>(11,547)</b>	<b>125.4%</b>
Financial Income	27,476	19,467	41.1%	64,556	58,592	10.2%
Financial Expenses	(26,946)	(28,244)	(4.6%)	(90,582)	(70,139)	29.1%
<b>Earnings before Income Tax and Social Contribution (EBT)</b>	<b>14,943</b>	<b>11,467</b>	<b>30.3%</b>	<b>805</b>	<b>48,332</b>	<b>(98.3%)</b>
Income Tax & Social Contribution	(50)	(4,699)	(98.9%)	14,855	(17,500)	-
<b>Net Income</b>	<b>14,893</b>	<b>6,768</b>	<b>120.1%</b>	<b>15,660</b>	<b>30,832</b>	<b>(49.2%)</b>
(+) Stock Option Plan (SOP)	5,553	4,598	20.8%	16,659	10,009	66.4%
(+) Non-Recurring Effects Adjusted on EBITDA	8,847	(451)	-	15,147	8,456	79.1%
(+) Interest in accounts payable to selling shareholders	3,468	3,260	6.4%	9,750	9,346	4.3%
(+) Tax effects	(6,790)	540	-	(19,393)	(187)	-
<b>Adjusted Net Income</b>	<b>25,971</b>	<b>14,715</b>	<b>76.5%</b>	<b>37,823</b>	<b>58,456</b>	<b>(35.3%)</b>
<b>Adjusted Net Income (IFRS 16)</b>	<b>22,888</b>	<b>9,426</b>	<b>142.8%</b>	<b>26,241</b>	<b>42,668</b>	<b>(38.5%)</b>

In 3Q24, the Financial Result represented a revenue of R\$530 thousand compared to an expense of R\$8.8 million recorded in 3Q23. This can be explained, mainly, by the **mark-to-market of the derivative (swap) linked to the “4131” financing line, in dollars, raised in March 2023**, with a positive impact (non-cash) of approximately R\$8.0 million.

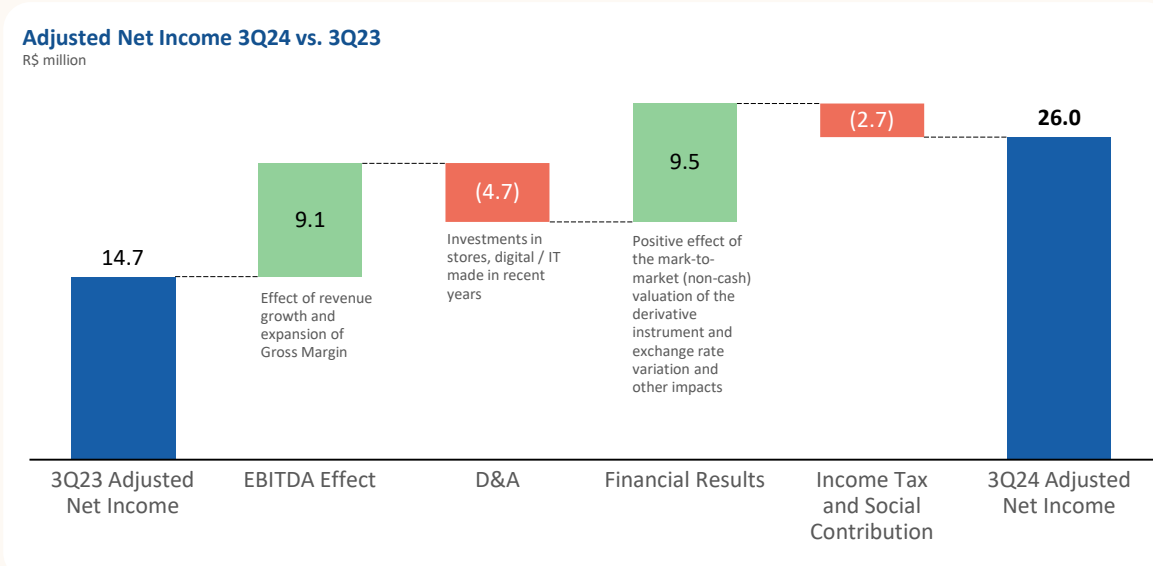
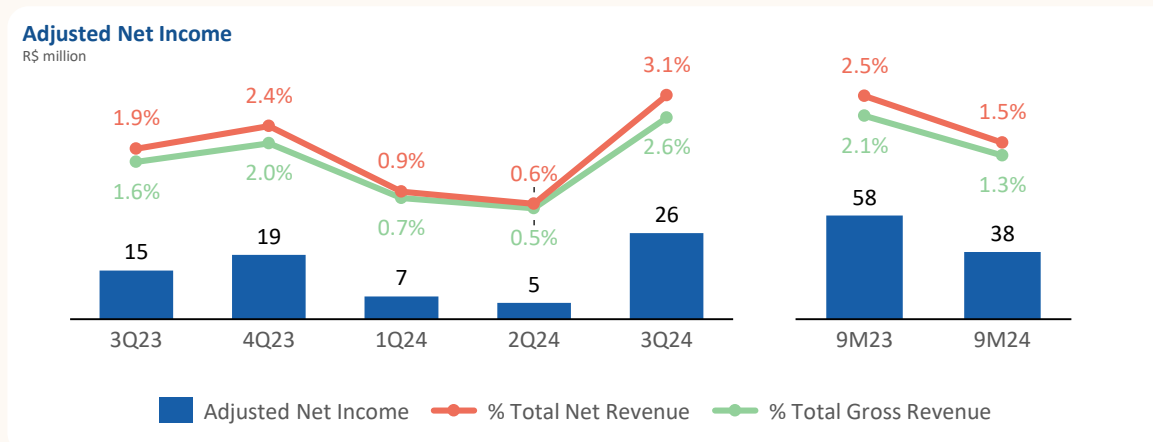
It is worth mentioning that, although the mark-to-market variation exists between quarters (non-cash effect), at the end of the 5-year period its impact on the accumulated result will be zero.

## Adjusted Net Income

Grupo Petz’s Adjusted Net Income in 3Q24 totaled **R\$26.0 million, a y/y increase of +76.5%**. This growth reflects (i) **the impact of the expansion in EBITDA Margin** and (ii) **the positive effect of Financial Result**, attributed to the mark-to-market valuation of the derivative (swap), as explained above.

This performance was also driven by the effect of the goodwill from the acquisition of acquired companies and the benefit from the "Lei do Bem" in 3Q24. In addition to these effects, it is also noteworthy that throughout the first 9 months, there was no negative impact from equity accounting of the acquisitions, unlike in 9M23, which was impacted by R\$11.1 million.

Adjustments made to net income included the exclusion of (i) non-recurring expenses, as explained in the Adjusted EBITDA section; (ii) the Stock Option plan line (non-cash) that is currently "out of the money"; and (iii) financial expenses/interest on amounts to be paid in the future to shareholders of the acquired companies (non-cash). It is important to mention that for the calculation of these adjustments, the exclusion of effects on income tax (IR) and social contribution (CS) is performed using a rate of 34%. The effective tax rate also considers the 34% effect on the earnings before tax (EBT) of the subsidiaries.





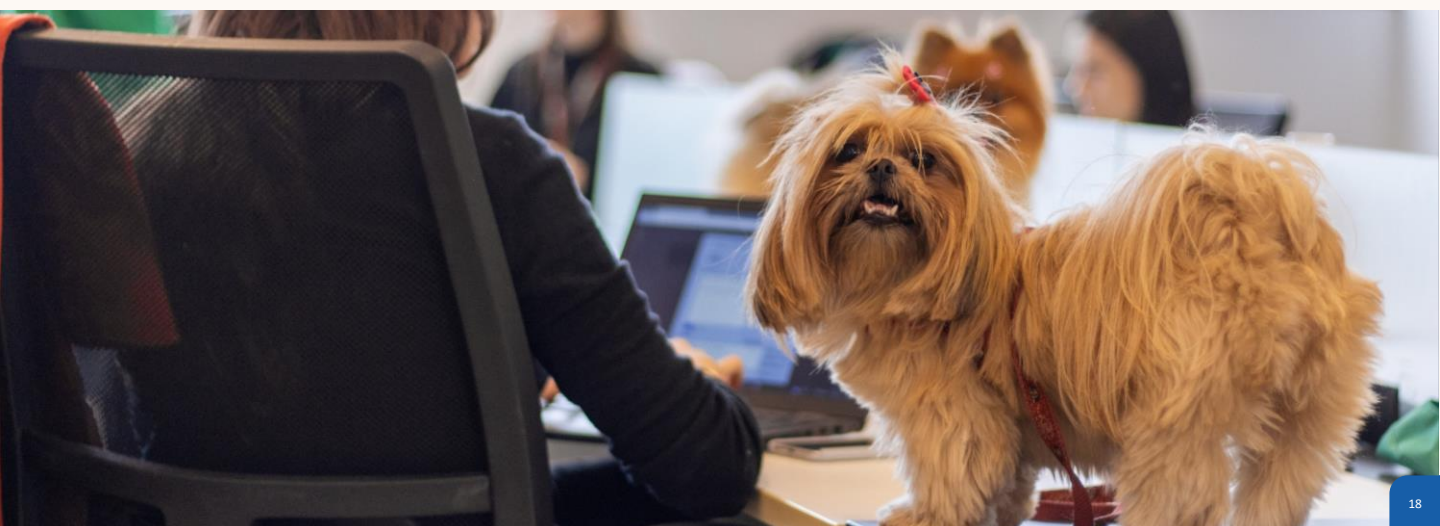
## Cash Flow

Grupo Petz	3Q24	3Q23	Δ	9M24	9M23	Δ
<b>R\$ thousands, unless otherwise stated</b>						
<b>Cash Flow from Operating Activities</b>	<b>105,809</b>	<b>97,908</b>	<b>8.1%</b>	<b>201,528</b>	<b>202,319</b>	<b>(0.4%)</b>
Operating Profit before income tax	14,943	11,467	30.3%	805	48,332	(98.3%)
Depreciation & Amortization	45,814	41,108	11.4%	136,106	122,182	11.4%
Recognized options granted	5,553	4,598	20.8%	16,658	10,010	66.4%
Interest on Loans and Financing	7,360	19,567	(62.4%)	42,974	32,701	31.4%
Interest in accounts payable to selling shareholders	3,468	3,260	6.4%	9,750	9,346	4.3%
Other adjustments to Operating Profit before income tax	(372)	(610)	(39.0%)	4,596	(1,886)	-
<b>Working Capital Variation</b>	<b>29,043</b>	<b>18,518</b>	<b>56.8%</b>	<b>(10,990)</b>	<b>(18,366)</b>	<b>(40.2%)</b>
Accounts Receivables	14,900	(12,743)	-	4,422	(25,453)	-
Inventory	(31,506)	(8,418)	274.3%	(6,793)	28,326	-
Suppliers	12,187	36,351	(66.5%)	(20,515)	(13,812)	48.5%
Other Assets/Liabilities	34,338	14,351	139.3%	76,431	20,544	272.0%
Income Tax and Social Contribution Paid	(276)	(9,459)	(97.1%)	(2,591)	(18,899)	(86.3%)
Interest Paid on Borrowings and Financing	(600)	(1,564)	(61.6%)	(41,400)	(9,072)	356.4%
<b>Cash Flow from Investing Activities<sup>1</sup></b>	<b>40,641</b>	<b>(54,251)</b>	<b>-</b>	<b>(59,167)</b>	<b>(174,905)</b>	<b>(66.2%)</b>
Financial Applications	80,032	-	-	64,802	20	-
Investments	-	(991)	(100.0%)	(2,948)	(3,465)	(14.9%)
Purchase of Property, Plant and Equipment	(39,392)	(53,260)	(26.0%)	(121,021)	(171,460)	(29.4%)
<b>Cash Flow from Financing Activities</b>	<b>(617)</b>	<b>(78,615)</b>	<b>(99.2%)</b>	<b>(28,443)</b>	<b>258,941</b>	<b>-</b>
Borrowings and Financing	-	-	-	-	400,000	(100.0%)
Repayment of borrowings and financing	(617)	(16,608)	(96.3%)	(24,564)	(67,966)	(63.9%)
Capital increase	-	61	(100.0%)	-	983	(100.0%)
Share Buyback	-	(62,068)	(100.0%)	-	(62,068)	(100.0%)
Dividends	-	-	-	(3,879)	(12,008)	(67.7%)
<b>Free Cash Flow, Net</b>	<b>145,833</b>	<b>(34,958)</b>	<b>-</b>	<b>113,918</b>	<b>286,355</b>	<b>(60.2%)</b>
Cash BoP	24,310	506,721	(95.2%)	56,225	185,411	(69.7%)
Cash EoP	170,143	471,765	(63.9%)	170,143	471,765	(63.9%)

<sup>1</sup> Includes the transfer of R\$80.0 million from the "Financial Applications" line to "Cash and Cash Equivalents" in 3Q24, due to the payment of R\$130.0 million in dividends that will be made in November.

**The Company reported another quarter of operational cash generation**, sufficient to cover its investments. In 3Q24, **Operating Cash Flow was R\$105.8 million**, driven by operational efficiency and effective management of Suppliers and Accounts Payable.

In terms of Net Cash Flow, the Company generated R\$145.8 million in 3Q24, compared to a consumption of R\$35.0 million in the same period last year. This is primarily explained by higher Operational Cash Generation and lower Investments (CAPEX) in the quarter (R\$38.0 million versus R\$47.9 million in 3Q23).

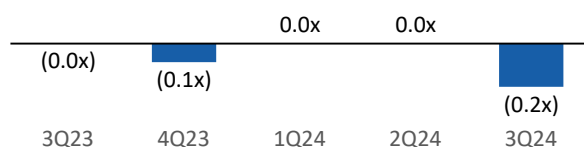


## Debt

Grupo Petz	3Q24	3Q23	Δ
<b>R\$ thousands, unless otherwise stated</b>			
<b>Gross Debt</b>	<b>426,654</b>	<b>468,764</b>	<b>(9.0%)</b>
Current Loans and Financing	28,795	62,410	(53.9%)
Noncurrent Loans and Financing	397,859	406,354	(2.1%)
<b>Cash &amp; Cash Equivalents and Financial Investments</b>	<b>475,571</b>	<b>471,765</b>	<b>0.8%</b>
Cash & Cash Equivalents	170,143	471,765	(63.9%)
Financial applications	305,428	-	-
<b>Net Debt (Cash)</b>	<b>(48,917)</b>	<b>(3,001)</b>	<b>1,530.0%</b>
Adjusted EBITDA (LTM)	261,322	269,526	(3.0%)
Net Debt (Cash)/Adjusted EBITDA (LTM)	(0.2x)	(0.0x)	(0.2x)

### Leverage

Net Debt (Cash)/Adjusted EBITDA (LTM)



The Company ended 3Q24 with **Net Cash of R\$48.9 million**, representing 0.2x Adjusted EBITDA for the last 12 months (compared to 0.0x in the same period last year), indicating a **positive variation of R\$45.9 million versus 3Q23**. This reflects a commitment to financial discipline **focused on cash generation**.

In addition, it is worth noting that the Company will make a **dividend distribution** of R\$ 130 million, to be paid on November 29, 2024.

## Investments/CAPEX

Grupo Petz	3Q24	3Q23	Δ	9M24	9M23	Δ
<b>R\$ thousands, unless otherwise stated</b>						
New Stores & Hospitals	16,218	21,529	(24.7%)	42,364	96,988	(56.3%)
Technology & Digital	14,170	19,894	(28.8%)	41,042	59,904	(31.5%)
Renovation, Maintenance & Others	7,625	6,460	18.0%	29,919	14,255	109.9%
<b>Total Investments</b>	<b>38,013</b>	<b>47,883</b>	<b>(20.6%)</b>	<b>113,325</b>	<b>171,147</b>	<b>(33.8%)</b>
Non-Cash Effect	1,379	5,377	(74.4%)	7,697	313	-
<b>Cash Flow from Fixed &amp; Intangible Assets</b>	<b>39,392</b>	<b>53,260</b>	<b>(26.0%)</b>	<b>121,022</b>	<b>171,460</b>	<b>(29.4%)</b>

Total investments amounted to R\$38.0 million in 3Q24, a decrease of -20.6% y/y.

As part of our expansion strategy, R\$16.2 million were invested in **New Stores**, a decrease of -24.7% y/y. This reflects a slower pace of openings throughout the year, optimization of capex per store, and optimization of store formats.

Investments in **Renovations, Maintenance and Others** totaled R\$7.6 million in 3Q24, an increase of +18.0% y/y, primarily driven by: (i) maintenance and upgrades to the store network; (ii) renovations undertaken as part of the Brand Refresh initiative; and (iii) investments in energy efficiency projects.

Lastly, R\$14.2 million were invested in **Technology and Digital** in 3Q24, representing a decrease of -28.8% y/y. It is essential to highlight that the significant investments related to digital transformation have already been completed, and the Company is now focused on optimizing and maintaining the established infrastructure. We continue with our strategy to: (i) develop and enhance products and solutions to delight and retain customers; and (ii) automate and improve existing processes to achieve gains in productivity and security.



# ANNEXES



**NUTRI FRESH**  
SUPER PREMIUM NATURAL  
BIFINHO COM INGREDIENTES NATURAIS  
SABOR **Cordeiro, Frutas vermelhas, Aveia & Chia**  
Cães Adultos



**IAS 17 – Balance Sheet**

<b>Grupo Petz</b> <b>R\$ thousands, unless otherwise stated</b>	<b>3Q24</b>	<b>2Q24</b>	<b>1Q24</b>	<b>4Q23</b>	<b>3Q23</b>
<b>ASSETS</b>					
<b>Current Assets</b>	<b>1,455,983</b>	<b>1,357,701</b>	<b>1,339,206</b>	<b>1,379,857</b>	<b>1,369,956</b>
Cash & Cash Equivalents	170,143	24,310	36,427	56,225	471,765
Financial applications	305,428	385,460	377,331	370,230	-
Accounts Receivable	365,381	377,679	364,545	364,273	351,530
Inventories	448,707	416,651	407,949	441,509	399,824
Recoverable Taxes and Contributions	136,506	121,903	126,858	119,798	117,003
Other Credits	29,818	31,698	26,096	27,822	29,834
<b>Noncurrent Assets</b>	<b>1,626,201</b>	<b>1,652,834</b>	<b>1,668,310</b>	<b>1,676,836</b>	<b>1,659,463</b>
Other Credits	41,075	39,175	37,732	36,564	34,544
Recoverable Taxes and Contributions	5,230	27,953	33,083	39,683	38,538
Deferred Income Tax and Social Contribution	22,009	19,773	18,549	12,325	24,318
Property, Plant and Equipment	792,027	798,915	813,851	824,558	812,657
Intangible Assets	765,860	767,018	765,095	763,706	749,406
<b>Total Assets</b>	<b>3,082,184</b>	<b>3,010,535</b>	<b>3,007,516</b>	<b>3,056,693</b>	<b>3,029,419</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>					
<b>Current Liabilities</b>	<b>761,393</b>	<b>580,982</b>	<b>595,771</b>	<b>649,906</b>	<b>613,916</b>
Suppliers	380,541	365,641	365,715	409,066	341,180
Loans, Financing and Debentures	28,795	18,868	31,297	47,023	62,410
Payroll and Related Taxes	104,308	88,322	91,553	84,560	100,797
Taxes Payable	53,282	48,643	48,883	52,203	49,208
Dividends Payable	130,026	26	3,905	3,905	2,653
Accounts payable for the acquisition of subsidiaries	3,163	3,102	2,447	3,517	8,587
Other Payable	58,946	53,983	50,191	48,703	47,789
Loyalty Program	2,332	2,397	1,780	929	1,292
<b>Non-current Liabilities</b>	<b>535,224</b>	<b>533,519</b>	<b>519,874</b>	<b>522,657</b>	<b>526,330</b>
Loans, Financing and Debentures	397,859	401,643	393,161	402,621	406,354
Accounts payable for the acquisition of subsidiaries	113,015	108,072	105,733	101,251	99,991
Other Payable	663	355	5,440	3,280	3,770
Provisions for Civil and Labor Risks	23,687	23,449	15,540	15,505	16,215
<b>Shareholders' Equity</b>	<b>1,785,567</b>	<b>1,896,034</b>	<b>1,891,871</b>	<b>1,884,130</b>	<b>1,889,173</b>
Capital	1,725,427	1,725,427	1,725,427	1,725,427	1,725,427
Capital Reserves	39,505	39,505	39,505	39,505	39,505
Reserve for Options Granted	75,642	70,089	64,537	58,984	51,685
Treasury Shares	(62,068)	(62,068)	(62,068)	(62,068)	(62,068)
Special Goodwill Reserve	24,825	24,825	24,825	24,825	24,825
Equity adjustment	(130,545)	(128,312)	(129,594)	(129,594)	(129,594)
Profit Reserves	112,781	226,568	229,239	227,051	239,393
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,082,184</b>	<b>3,010,535</b>	<b>3,007,516</b>	<b>3,056,693</b>	<b>3,029,419</b>

## IAS 17 – Cash Flow – Indirect Method

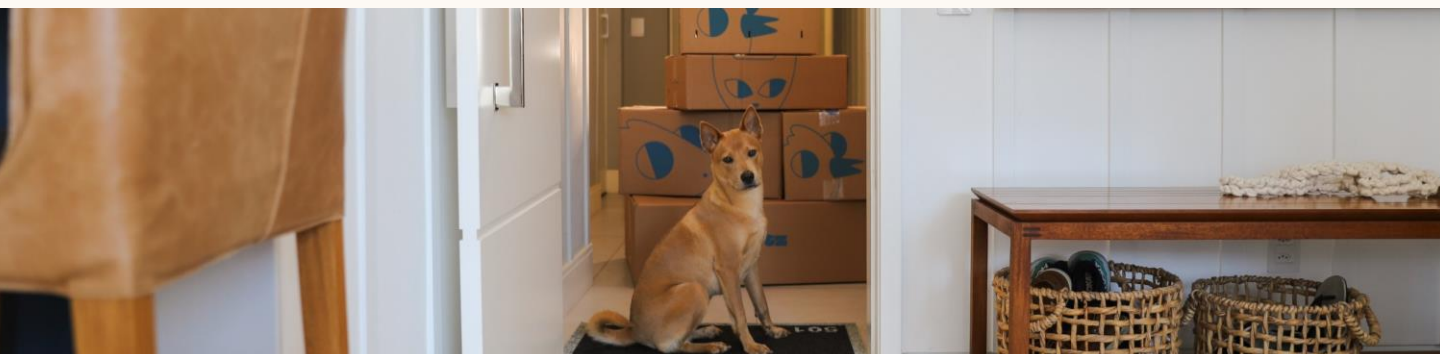
Grupo Petz	3Q24	3Q23	9M24	9M23
<b>R\$ thousands, unless otherwise stated</b>				
<b>Cash Flow from Operating Activities</b>	<b>105,809</b>	<b>97,908</b>	<b>201,528</b>	<b>202,319</b>
Operating Profit before income tax	14,943	11,467	805	48,332
Depreciation & Amortization	45,814	41,108	136,106	122,182
Allowance for Inventory Losses	(551)	49	(405)	(58)
Recognized options granted	5,553	4,598	16,658	10,010
Interest on Loans and Financing	7,360	19,567	42,974	32,701
PP&E Write-off	59	48	5,123	99
Loyalty Program	(65)	(668)	1,403	(1,849)
Provision for Civil and Labor Risks	239	28	279	121
Interest in accounts payable to selling shareholders	3,468	3,260	9,750	9,346
Depreciation & Amortization - Refund of Improvements	(54)	(67)	(175)	(199)
<b>Working Capital Variation</b>	<b>29,043</b>	<b>18,518</b>	<b>(10,990)</b>	<b>(18,366)</b>
<b>ASSETS</b>				
Accounts Receivables	14,900	(12,743)	4,422	(25,453)
Inventory	(31,506)	(8,418)	(6,793)	28,326
Recoverable Taxes and Contributions	7,695	(5,611)	26,906	(15,130)
Other Credits	1,757	(2,880)	(10,619)	(10,437)
<b>LIABILITIES</b>				
Suppliers	12,187	36,351	(20,515)	(13,812)
Payroll and Related Taxes	15,987	10,357	19,738	24,720
Taxes Payable	1,339	640	6,163	4,926
Accounts Payable	7,560	11,845	13,699	16,465
Income Tax and Social Contribution Paid	(276)	(9,459)	(2,591)	(18,899)
Interest Paid on Borrowings and Financing	(600)	(1,564)	(41,400)	(9,072)
<b>Cash flow from Investing Activities</b>	<b>40,641</b>	<b>(54,251)</b>	<b>(59,167)</b>	<b>(174,905)</b>
Financial applications	80,032	-	64,802	20
Investments	-	(991)	(2,948)	(3,465)
Purchase of Property, Plant and Equipment	(39,391)	(53,260)	(121,021)	(171,460)
<b>Cash Flow from Financing Activities</b>	<b>(617)</b>	<b>(78,615)</b>	<b>(28,443)</b>	<b>258,941</b>
Borrowings and Financing	-	-	-	400,000
Repayment of borrowings and financing	(617)	(16,608)	(24,564)	(67,966)
Capital increase	-	61	-	983
Share Buyback	-	(62,068)	-	(62,068)
Dividends	-	-	(3,879)	(12,008)
<b>Free Cash Flow, Net</b>	<b>145,833</b>	<b>(34,958)</b>	<b>113,918</b>	<b>286,355</b>
Cash BoP	24,310	506,721	56,225	185,411
Cash EoP	170,143	471,765	170,143	471,765

## Annex I – Reconciliation of EBITDA – Financial Statements vs. Adjusted EBITDA

Grupo Petz	3Q24	3Q23	9M24	9M23
<b>R\$ thousands, unless otherwise stated</b>				
<b>Earnings Before Interest Tax (EBIT)</b>	<b>32,513</b>	<b>35,401</b>	<b>78,200</b>	<b>104,753</b>
(+) Depreciation & Amortization	45,237	40,517	134,333	120,425
(+) Depreciation – Right of Use (CPC 06 (R2)/IFRS 16)	40,435	40,030	121,304	118,700
<b>EBITDA</b>	<b>118,185</b>	<b>115,948</b>	<b>333,837</b>	<b>343,878</b>
(+) Rental Expenses	(58,010)	(54,494)	(171,009)	(161,084)
<b>EBITDA ex./ IFRS 16</b>	<b>60,175</b>	<b>61,454</b>	<b>162,828</b>	<b>182,794</b>
(+) Stock Option Plan (SOP)	5,553	4,598	16,659	10,009
(+) PP&E Write-off	-	2	-	15
(+) Right of use (CPC 06 (R2)/IFRS 16) Write-off	-	(171)	(65)	(932)
<b>(+) Non-recurring results</b>	<b>8,847</b>	<b>(451)</b>	<b>15,147</b>	<b>8,456</b>
(+) Non-recurring income	-	3,743	-	3,743
(+) Non-recurring expenses	8,847	3,292	15,147	12,199
<b>Adjusted EBITDA</b>	<b>74,575</b>	<b>65,432</b>	<b>194,569</b>	<b>200,342</b>
<b>Adjusted EBITDA IFRS 16</b>	<b>132,585</b>	<b>119,926</b>	<b>365,578</b>	<b>361,426</b>

## Annex II – IFRS 16 Impact – Statement of Income

Grupo Petz	3Q24		Δ
<b>R\$ thousands, unless otherwise stated</b>	<b>IAS 17</b>	<b>IFRS 16</b>	
<b>Gross Revenue from Products and Services</b>	<b>1,016,667</b>	<b>1,016,667</b>	-
Taxes and other Deductions	(167,856)	(167,856)	-
<b>Net Revenue from Products and Services</b>	<b>848,811</b>	<b>848,811</b>	-
Cost of Goods Sold and Services Rendered	(453,655)	(453,655)	-
<b>Gross Profit</b>	<b>395,156</b>	<b>395,156</b>	-
<b>Operating Revenue (Expenses)</b>	<b>(320,581)</b>	<b>(362,643)</b>	<b>42,062</b>
Selling	(236,595)	(256,908)	20,313
General & Administrative	(79,117)	(86,179)	7,062
Other Operating Income (expenses), net	(4,869)	(19,556)	14,687
<b>Operating Profit before Financial Income</b>	<b>14,413</b>	<b>32,513</b>	<b>(18,100)</b>
<b>Financial Results</b>	<b>530</b>	<b>(22,242)</b>	<b>22,772</b>
Financial Income	27,476	27,476	-
Financial Expenses	(26,946)	(49,718)	22,772
<b>Earnings before Income Tax and Social Contribution</b>	<b>14,943</b>	<b>10,271</b>	<b>4,672</b>
Income Tax and Social Contribution	(50)	1,539	(1,589)
<b>Net Profit</b>	<b>14,893</b>	<b>11,810</b>	<b>3,083</b>



**Annex III – IFRS 16 Impact – Balance Sheet**

<b>Grupo Petz</b> R\$ thousands, unless otherwise stated	<b>3Q24</b>		<b>Δ</b>
	<b>IAS 17</b>	<b>IFRS 16</b>	
<b>ASSETS</b>			
<b>Current Assets</b>	<b>1,455,983</b>	<b>1,454,783</b>	<b>1,200</b>
Cash & Cash Equivalents	170,143	170,143	-
Financial applications	305,428	305,428	-
Accounts Receivable	365,381	365,381	-
Inventories	448,707	448,707	-
Recoverable Taxes and Contributions	136,506	136,506	-
Other Credits	29,818	28,618	1,200
<b>Noncurrent Assets</b>	<b>1,626,201</b>	<b>2,524,117</b>	<b>(897,916)</b>
Other Credits - LP	41,075	41,075	-
Recoverable Taxes and Contributions	5,230	5,230	-
Deferred Income Tax and Social Contribution	22,009	88,593	(66,584)
Property, Plant and Equipment	792,027	1,634,879	(842,852)
Intangible Assets	765,860	754,340	11,520
<b>Total Assets</b>	<b>3,082,184</b>	<b>3,978,900</b>	<b>(896,716)</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>	<b>761,393</b>	<b>884,302</b>	<b>(122,909)</b>
Suppliers	380,541	380,541	-
Loans, Financing and Debentures	28,795	28,795	-
Payroll and Related Taxes	104,308	104,308	-
Taxes Payable	53,282	53,282	-
Dividends Payable	130,026	130,026	-
Accounts payable for the acquisition of subsidiaries	3,163	3,163	-
Other Payable	58,946	38,605	20,341
Loyalty Program	2,332	2,332	-
Leasing Right of Use Payable (IFRS 16)	-	143,250	(143,250)
<b>Non-current Liabilities</b>	<b>535,224</b>	<b>1,395,920</b>	<b>(860,696)</b>
Loans, Financing and Debentures	397,859	397,859	-
Accounts payable for the acquisition of subsidiaries	113,015	113,015	-
Other Payable	663	663	-
Provisions for Civil and Labor Risks	23,687	23,687	-
Leasing Right of Use Payable (IFRS 16)	-	860,696	(860,696)
<b>Shareholders' Equity</b>	<b>1,785,567</b>	<b>1,698,678</b>	<b>86,889</b>
Capital	1,725,427	1,725,427	-
Capital Reserves	39,505	39,505	-
Reserve for Options Granted	75,642	75,642	-
Treasury Shares	(62,068)	(62,068)	-
Special Goodwill Reserve	24,825	24,825	-
Equity adjustment	(130,545)	(130,545)	-
Profit Reserves	112,781	25,892	86,889
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,082,184</b>	<b>3,978,900</b>	<b>(896,716)</b>



**Annex IV – IFRS 16 Impact – Cash Flow**

Grupo Petz R\$ thousands, unless otherwise stated	3Q24		Δ
	IAS 17	IFRS 16	
<b>Cash Flow from Operating Activities</b>	<b>105,809</b>	<b>156,289</b>	<b>(50,480)</b>
Profit Before Income Tax and Social Contribution	14,943	10,271	4,672
Depreciation & Amortization	45,814	45,290	524
Depreciation – Right of Use (CPC 06 (R2))/IFRS 16)	-	40,435	(40,435)
Interest Expenses – Right of use (CPC 06 (R2))/IFRS 16)	-	24,775	(24,775)
Allowance for Inventory Losses	(551)	(551)	-
Recognized options granted	5,553	5,553	-
Interest on Loans and Financing	7,360	7,360	-
PP&E Write-off	59	59	-
Right of use (CPC 06 (R2))/IFRS 16) Write-off	-	-	-
Loyalty Program	(65)	(65)	-
Provision for Civil and Labor Risks	239	239	-
Interest in accounts payable to selling shareholders	-	-	-
Depreciation & Amortization - Refund of Improvements	(54)	(54)	-
<b>ASSETS</b>			
Accounts Receivables	14,900	14,900	-
Inventory	(31,506)	(31,506)	-
Recoverable Taxes and Contributions	7,695	7,695	-
Other Credits	1,757	1,757	-
<b>LIABILITIES</b>			
Suppliers	12,187	12,187	-
Payroll and Related Taxes	15,987	15,987	-
Taxes Payable	1,339	1,339	-
Accounts Payable	7,560	7,935	(375)
Income Tax and Social Contribution Paid	(276)	(276)	-
Interest Paid on Borrowings and Financing	(600)	(600)	-
Interest Paid on Right of Use (CPC 06 (R2))/IFRS 16)	-	(9,909)	9,909
<b>Cash flow from investing activities</b>	<b>40,641</b>	<b>40,641</b>	<b>-</b>
Financial applications	80,032	80,032	-
Investments	-	-	-
Purchase of Property, Plant and Equipment	(39,391)	(39,391)	-
<b>Cash Flow from Financing Activities</b>	<b>(617)</b>	<b>(51,097)</b>	<b>50,480</b>
Repayment of borrowings and financing	(617)	(617)	-
Dividends	-	-	-
Payment of Right of Use (CPC 06 (R2))/IFRS 16)	-	(50,480)	50,480
<b>Free Cash Flow, Net</b>	<b>145,833</b>	<b>145,833</b>	<b>-</b>
Cash BoP	24,310	24,310	-
Cash EoP	170,143	170,143	-

## Glossary

### Operational Metrics

- **Same Store Sales (SSS)** – SSS considers (i) sales from Petz physical stores that are over 12 months old, whether sales of products or services, (ii) omnichannel sales (Pick-up and Ship from Store) from physical stores that are over 12 months old and (iii) e-commerce sales (sales shipped from the CD directly to the end customer).
- **Digital Gross Revenue** – Considers all sales originating on the Petz, Zee Dog, Zee Now website and app, in addition to sales on partner marketplaces and super apps.
- **Omnichannel Sales** – Petz Pick-up and Ship from Store sales.
- **Pick-up** – Sales that are made through the digital channel, but that the customer chooses to collect in physical stores.
- **Ship from Store** – Sales made through the digital channel and delivered to the customer's home, leaving any of our physical stores.
- **Omnichannel Ratio** – Petz Omnichannel Sales as a % of Petz Digital Gross Revenue.
- **E-commerce Sales** – All sales shipped from the Distribution Center directly to the customer.
- **Food Category** – Products such as: prescribed pet food, super premium, premium and standard pet food, wet food, snacks and more.
- **Non-Food Category** – Products such as: accessories, hygiene & cleaning products, medicines, among others.

### Non-Accounting Measures

- **Adjusted EBITDA and Adjusted EBITDA Margin** – Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is a non-accounting measurement disclosed by the Company in compliance with CVM Instruction 527/12. EBITDA is adjusted to exclude non-recurring effects and, for comparison purposes, the effect of the adoption of CPC 06/IFRS 16, effective on January 1, 2019, is excluded as well, resulting in Adjusted EBITDA. Non-recurring affects are characterized by extraordinary effects that impact the Company's result. Since these amounts are not a recurring portion of the result, the Company chooses to make such adjustment so that Adjusted EBITDA considers only recurring numbers. The Company uses Adjusted EBITDA as a performance measure for managerial purposes and for comparison with peers.
- **Net Debt** – Results from the sum of short- and long-term loans, registered under Current and Non-Current Liabilities, minus the sum of Cash and Cash Equivalents with Marketable Securities, registered under Current and Non-Current Assets.
- The Company understands that the **Net Debt/Adjusted EBITDA ratio** helps to determine leverage and liquidity. Last Twelve Months (LTM) Adjusted EBITDA is the sum of Last Twelve Months EBITDA and also represents an alternative to operating cash generation.
- **Adjusted EBITDA, Adjusted Net Income, Net Debt, Net Debt/LTM Adjusted EBITDA and Operating Cash Generation** presented in this document are not measurements of profit in accordance with the accounting principles adopted in Brazil and do not represent cash flows in the periods presented. Therefore, they are not alternative measures of results or cash flows.
- **Operating Cash Generation** presented here is a managerial measurement resulting from the cash flow from operational activities presented in the Statement of Cash Flow, adjusted by the "Right-of-use Lease" which, after the adoption of CPC 06/IFRS 16, began to be accounted for in the Statement of Cash Flow as a financing activity.

## Disclaimer

Statements contained in this document regarding business prospects, projections of operating and financial results and growth prospects for Petz are merely projections and, as such, based exclusively on expectations of the management regarding the future of the business. These expectations substantially depend on market conditions, performance of the Brazilian economy, the industry and international markets and, therefore, are subject to change without prior notice. All changes presented herein are calculated based on numbers in thousands of Brazilian reais (BRL), as well as rounded numbers.

This performance report includes accounting and non-accounting data, such as operational, pro forma financial data, and forecasts based on Management expectations. Non-accounting data was not reviewed by the Company's independent auditors

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