

GRUPO **Petz**

4Q24 Results

Videoconference

Friday, March 21st

11h BRT | 10h US ET

[click here](#)

Petz

CENTRO VETERINÁRIO
seres

**BANHO
& TOSA**
Petz


Cão Cidadão


adotePETZ


zeedog

**CANSEI
DE SER
GATO**

petix.
o melhor para seu pet

**ATACADO
K&PET**

São Paulo, March 20th, 2025 – Pet Center Comércio e Participações S.A. (B3: PETZ3) announces its results for the fourth quarter of 2024 (4Q24).

Since 2019, our Financial Statements have been prepared in accordance with IFRS 16; however, in this report, the figures are presented according to the previous standard, IAS 17/CPC 06, with reconciliation available on pages 24-26 to better represent the economic reality of the business. Since 1Q24, the Group's results are presented on a consolidated basis, reflecting the integration with acquired companies.



B3: PETZ3
R\$4.43 per share



462,739,925
Total Shares



R\$2,0 billion
Market Cap

Data as of: March 20th, 2025

Summary of Results and Indicators (IAS 17)

+9.0% y/y

Growth of
B2C¹ revenue

+5.1%

Same Store Sales

+11.0% in the total number of coupons

Gross Margin of 39.5%
(0.7 p.p. y/y)

Adjusted EBITDA Margin of 7.9%
(+1.1 p.p. y/y | +0.6 p.p. q/q)

Gross Profit of R\$ 417.3 mm
(+9.2% y/y)

Adjusted EBITDA² of R\$ 83.3 mm
(+24.8% y/y)

46%

Private Label
Revenue in 4Q24
(40% in 2024)

+49.7% y/y

Adjusted
Net Income³

Grupo Petz	4Q24	4Q23	Δ	2024	2023	Δ
R\$ thousands, unless otherwise stated						
Resultados Financeiros Grupo Petz						
Total Gross Revenue	1,056,478	983,809	7.4%	3,988,221	3,786,594	5.3%
B2C ¹ Sales	989,083	907,348	9.0%	3,725,800	3,489,277	6.8%
B2B ¹ Sales	33,490	46,715	-28.3%	141,374	169,275	-16.5%
Services and Others	33,905	29,746	14.0%	121,047	128,042	-5.5%
Gross Profit	417,250	382,066	9.2%	1,559,275	1,481,789	5.2%
Gross Margin (%)	39.5%	38.8%	0.7 p.p.	39.1%	39.1%	(0.0 p.p.)
Adjusted EBITDA²	83,314	66,753	24.8%	277,883	267,094	4.0%
Adjusted EBITDA Margin (%)	7.9%	6.8%	1.1 p.p.	7.0%	7.1%	(0.1 p.p.)
Adjusted Net Income³	22,391	14,953	49.7%	62,776	72,089	(12.9%)
Adjusted Net Income Margin ³ (%)	2.1%	1.5%	0.6 p.p.	1.6%	1.9%	(0.3 p.p.)
Operational Indicators						
Number of Stores	262	246	16	262	246	16
Store Openings	5	10	(5)	16	30	(14)

¹ B2C Sales (Business to Consumer) refer to sales made directly to the end consumer and include the Petz, Zee.Now, and Zee.Dog e-commerce channels. B2B Sales (Business to Business), on the other hand, refer to sales made to other companies and include the Petix channels (sales to pet shops) and Zee.Dog (pet shop and partners abroad).

² Does not consider the effect of IFRS 16, in addition to the adjustments explained on page 16.

³ 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

As we end 2024, it is essential to reflect on the progress and challenges faced throughout the year. Even after a challenging first half, we felt that the second half would be different. We started the year, still in the first quarter, with low revenue growth, a result of an increasingly competitive market and strong comparisons from 2023. **During the second quarter, we revisited the Company's commercial strategy, becoming more competitive with a single goal: customer loyalty, ensuring that the entire product basket could be purchased in one place — at Petz.**

Month after month, operational indicators confirmed that we were on the right track, with an increase in the number of new customers and subscribers, though still without significant impacts on financial results. However, we were convinced that these would materialize over the second half of the year. The third quarter marked the **beginning of a trend reversal for the Company, during which we reported a significant recovery in growth (+7.6% y/y)**, reaching R\$1 billion in revenue — a record for the Company at that time. Additionally, the Accessories category, which had seen revenue declines for four consecutive quarters, began to show growth again, with the largest variation among categories.

We ended the year with 4Q24 reflecting the Company's solid recovery and resilience. The operational performance demonstrated consistent growth, even in a challenging macroeconomic environment. **We achieved a 9.0% growth in B2C (Business-to-Consumer) sales, without passing on inflation or raising prices for customers** — the accumulated Petz inflation in the last 12 months was -0.8%, highlighting growth through operational means, driven by increased loyalty, coupons, and the acquisition of new customers.

In the fourth quarter, we continued to demonstrate growth in both digital and physical channels. **The physical channel, which had shown a decline in the first half of the year, experienced a notable turnaround, with an 11.4% y/y increase in 4Q24**, also reflecting greater engagement from store attendants, who were encouraged to actively participate in the sales process through gamified internal targets. Meanwhile, the digital channel and omnichannel strategies remain key strategic pillars, providing a differentiated level of service to customers and continuing to show healthy growth.

Our private label brands continue to be a major source of differentiation, achieving robust growth of 40% over the year, reaching a 12% share in 4Q24. Through these private label brands, we were able to revitalize the Accessories category, which, along with the Hygiene & Cleaning category, showed the highest growth among main product categories (+15.6% y/y). During the second half of the year, **we launched dozens of products at more accessible entry-level prices**, without compromising on quality and design that embodies the Petz Group DNA. These products have been a sales success and demonstrate that we are on the right path — in 1Q25, we will launch hundreds of SKUs in the toy category, strengthening one of the most important pillars of our belief: the connection between pets and their owners.

Another major highlight was **the launch of the Selections dry food, which, even with just a few days of sales, has proven to be a significant success** and received high acceptance from both pets and their owners, with 20 SKUs available — 11 for dogs and 9 for cats. The products are available in all Petz stores and also on our e-commerce platform. It's worth noting that the product is born with a purpose: 1% of all profits are donated to animal causes. The Selections brand is exclusive to the Petz Group and offers products such as snacks and wet food within the "Premium Special" category.

Message from the Management

From a financial perspective, **the gross margin remained stable throughout the year, reflecting our ability to balance growth with profitability**, even after adjustments to our commercial policy in 2Q24 and amidst a still challenging macroeconomic environment, characterized by rising fixed and semi-variable expenses that follows national inflation. We achieved significant EBITDA margin expansion, maintaining strict discipline in our spending, and finished another year capable of covering all the Company's investments with our own **cash generation, which grew by 51.5% y/y**.

As we move into 2025, we are confident. We began 1Q25 with the same growth trends observed in the second half of 2024, maintaining a good growth level while preserving gross margin. The pet segment continues to demonstrate the resilience of the industry consistently, with promising trends for the coming years, driven by the increasing pet population, greater access to information for pet owners, and the growing cultural trend of pet "humanization."

Accounting and non-cash elements that impacted the results

In this specific quarter, we identified two important lines that had no cash effect, which will be explained in detail for better understanding:

- **Impairment:** We conduct an annual impairment test on our acquired operations to ensure that our financial statements reflect the economic reality of the business. During 4Q24, this process resulted in accounting adjustments for two acquired companies. **The impact on EBITDA was R\$55.4 million, and on Net Income, it was R\$36.6 million.**

(i) **Cão Cidadão**, acquired in November 2021, experienced a write-down, as the initial revenue projections included the development of a series of services in partnership with Petz, such as pet hotels, dog walking, and pet sitting, which were not implemented. This led to a downward revision of the Company's medium- and long-term projections, impacting the asset valuation; (ii) **Zee.Dog**, acquired in August 2021, underwent an adjustment influenced primarily by an increase in the discount rate (WACC) used in the impairment test, which rose over the past year, reducing the estimated present value of the asset. It is important to emphasize that, despite Zee.Dog's strong operational results and significant synergies captured throughout 2024, the increase in the discount rate negatively impacted the accounting valuation of the asset.

It is important to highlight that this amount is merely an accounting impact, recorded in accordance with IAS 36/CPC 01 (R1) - Impairment of Assets, and does not affect the utilization of the goodwill benefit.

- **4131 Debt:** Regarding debt 4131, contracted in 1Q23, it is important to note that during its five-year term, the outstanding balance will be subject to exchange rate fluctuations, which are hedged by a swap to the Brazilian real. However, variations may occur between quarters due to differences in the dollar exchange rate between the beginning and end of each period. **In 4Q24, this fluctuation resulted in a negative impact of R\$12.8 million on Net Income, with no cash effects due to the aforementioned swap operation.**

The negative effect mentioned above could still be reversed if a depreciation of the dollar is observed in the upcoming quarters. **It is worth noting that throughout the entire operation, at the end of the 5-year period, the impact on the accumulated result will be zero.**

Message from the Management

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

• CADE

On February 5th, 2025, both Companies submitted their response to the request for amendments from the Administrative Council for Economic Defense (CADE), after the agency requested additional information. The process is currently ongoing, and the parties are closely monitoring the analyses, ready to provide any additional clarifications if needed.

• Corporate Matters

In the past week, on March 14th, 2025, the merger agreement was approved in an Extraordinary General Meeting by Petz shareholders, without reservations, and is currently awaiting approval of the transaction by the antitrust authority (CADE).

• Integration Planning

The integration planning, which is being conducted with the support of a specialized international consultancy, is nearing its final stages, including the following areas:

1. Master plan – mapping all relevant processes of the Companies (in preparation for D+1);
2. Refinement and validation of the synergies identified in the due diligence; and
3. People, talent, and organizational culture.



Sergio Zimerman



Highlights and Strategic Initiatives

Confirmation of growth recovery

- Real growth of **9.0% in Products (B2C sales)** – Petz inflation LTM below Brazil's inflation (-0.8%)
- Increase of +11.0% in the number of **coupons**
- Recovery of growth and competitiveness in **physical stores (+11.4%)**
- **+7% y/y increase in active customers** (who made at least one purchase in the last 6 months) in the Digital channel
- **Growth of +21% y/y in subscribers**, reaching a total of 538,000 customers
- We began 1Q25 with the same trends as 2H24, **maintaining growth while preserving gross margin**



Improvement in private label and B2C channels

- **Official launch of private label “Selections” dry food** (Premium category)
- **Growth in Private Label revenue of 46% in 4Q24 and 40% in 2024**
- **12% Private Label's share of total product revenue in 4Q24**
- Opening of the first two pilot stores of **Zee.Now** in São Paulo and Minas Gerais, with an average sales area of 146m²



Income Statement

Grupo Petz R\$ thousands, unless otherwise stated	4Q24	4Q23	Δ	2024	2023	Δ
Gross Revenue from Products and Services	1,056,478	983,809	7.4%	3,988,221	3,786,594	5.3%
Taxes and other Deductions	(177,774)	(163,219)	8.9%	(665,593)	(613,353)	8.5%
Net Revenue from Products and Services	878,704	820,590	7.1%	3,322,628	3,173,241	4.7%
Cost of Goods Sold and Services Rendered	(461,454)	(438,524)	5.2%	(1,763,353)	(1,691,452)	4.3%
Gross Profit	417,250	382,066	9.2%	1,559,275	1,481,789	5.2%
Operating Revenue (Expenses)	(333,936)	(315,313)	5.9%	(1,281,392)	(1,214,695)	5.5%
Selling	(250,647)	(239,425)	4.7%	(948,405)	(888,892)	6.7%
General & Administrative	(80,187)	(71,678)	11.9%	(316,296)	(309,235)	2.3%
Other Operating Income (expenses), net	(3,102)	(4,210)	(26.3%)	(16,691)	(16,568)	0.7%
Adjusted EBITDA	83,314	66,753	24.8%	277,883	267,094	4.0%
Non-Recurring Results ¹	(61,468)	(7,647)	703.8%	(76,614)	(16,104)	375.7%
Stock Option Plan ²	(7,926)	(7,300)	8.6%	(24,585)	(17,310)	42.0%
Write-off of Fixed Assets	-	(3,171)	-	-	(3,186)	-
Depreciation & Amortization	(46,929)	(43,381)	8.2%	(182,861)	(165,363)	10.6%
Operating Profit before Financial Income	(33,009)	5,254	-	(6,177)	65,131	(109.5%)
Financial Results³	(28,615)	2,313	-	(54,641)	(9,233)	491.8%
Financial Income	20,327	24,588	(17.3%)	84,883	83,180	2.0%
Financial Expenses	(48,942)	(22,275)	119.7%	(139,524)	(92,413)	51.0%
Earnings before Income Tax and Social Contribution	(61,624)	7,567	-	(60,818)	55,898	(208.8%)
Income Tax and Social Contribution	18,449	(2,416)	-	33,305	(19,916)	(267.2%)
Net Income	(43,175)	5,151	-	(27,513)	35,982	(176.5%)
SOP, Non-Recurring and Tax Effects	52,722	14,277	269.3%	74,884	41,912	78.7%
Swap Impact (4131 Debt)	12,844	(4,475)	-	15,405	(5,806)	(365.3%)
Adjusted Net Income³	22,391	14,953	49.7%	62,776	72,089	(12.9%)
EBITDA	13,920	48,635	(71.4%)	176,684	230,494	(23.3%)
Adjusted EBITDA IFRS 16⁴	142,113	122,425	16.1%	507,690	483,852	4.9%

¹ Non-recurring explained on page 16.

² 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).

³ Contains the mark-to-market effect of the derivative related to the swap operation linked to the "4131" financing line, in dollars. In 4Q24, this variation resulted in a negative impact of R\$12.8 million in Net Income. 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.

⁴ More information on page 24.



REVENUE



Store Expansion

During 4Q24, the Company opened 5 new stores located in Goiânia-GO, Santo André-SP, Campinas-SP, Rio Verde-GO, and Belo Horizonte-MG. Thus, we ended the year 2024 with 262 stores in operation and 221.1 thousand square meters of sales area, strengthening our leadership position as the largest pet ecosystem in the country.

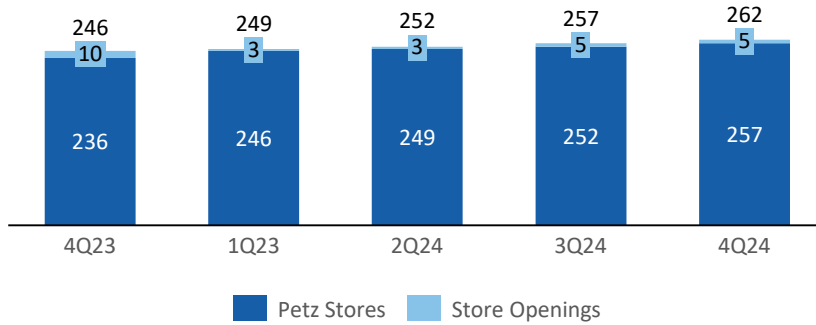
Currently, we are present in 24 states across all 5 regions of Brazil, with a concentration of 64% in the Southeast region, 14% in the South, 10% in the Northeast, 9% in the Central-West, and 2% in the North.

+3.9% y/y
Total sales area growth

50% of the stores are less than 4 years old

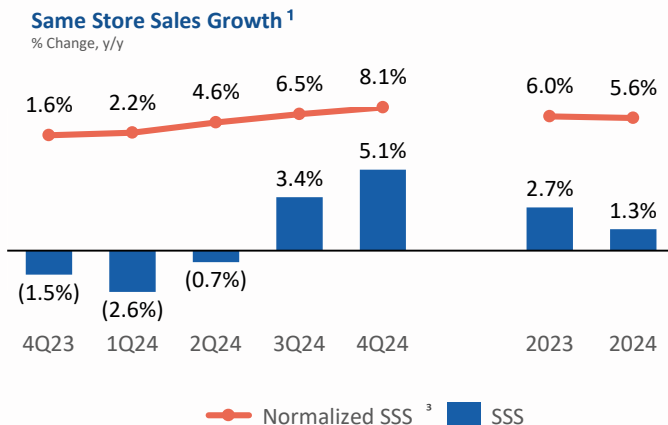
Number of Petz Stores

Petz Stores, Openings



Same Store Sales (SSS) Performance

SSS reported a **performance of +5.1% in 4Q24, with significant acceleration**. It is important to highlight that the Petz inflation², an indicator calculated based on internal assumptions, remained close to 0% this quarter. This indicates that the reported growth happened in real terms, without the effects of price increases or pass-throughs to our customers.



4-Wall EBITDA (Stores)

% of Petz Stores Gross Revenue

Cohort	# Stores	4-Wall EBITDA (2024)
until 2020	130	15.7%
2021	37	15.1%
2022	49	12.3%
2023	30	10.6%
2024	16	(0.8%)

¹ 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.

² Petz 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

³ 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:

- **Channels:** (i) **Physical:** originated from Petz physical store network, including services sales and Zee.Now; (ii) **Digital:** originated from digital channels (Petz, Zee.Dog, Zee.Now), which include omnichannel sales (Pick-up and Ship from Store) and e-commerce (sales shipped directly to customers from the distribution center); and (iii) **B2B Products Sales:** Business to Business – sales made to other companies, which include the Petix and Zee.Dog (pet shop and partners abroad) channels.

- **Segment:** (i) **B2C Products Sales:** Business to Consumer – sales directly to the end consumer, which include Petz, Zee.Now, and Zee.Dog e-commerce channels; (ii) **B2B Products Sales:** Business to Business – sales made to other companies, which include the Petix and Zee.Dog channels; and (iii) **Services.**

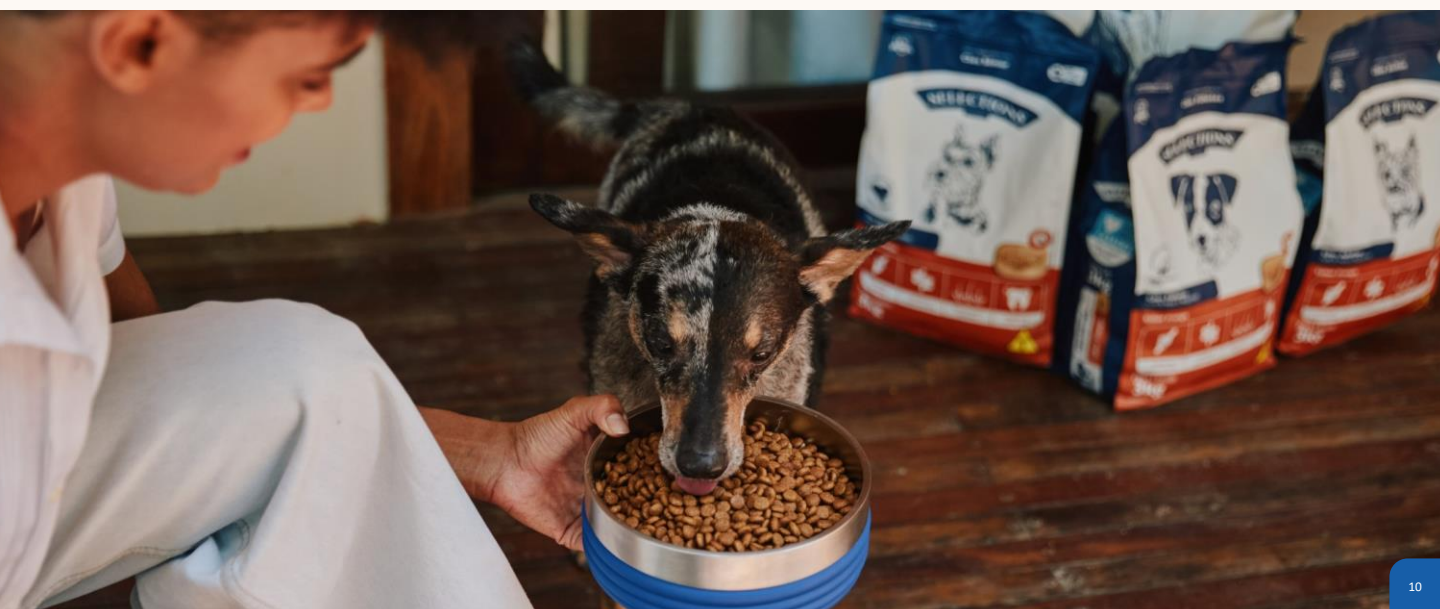
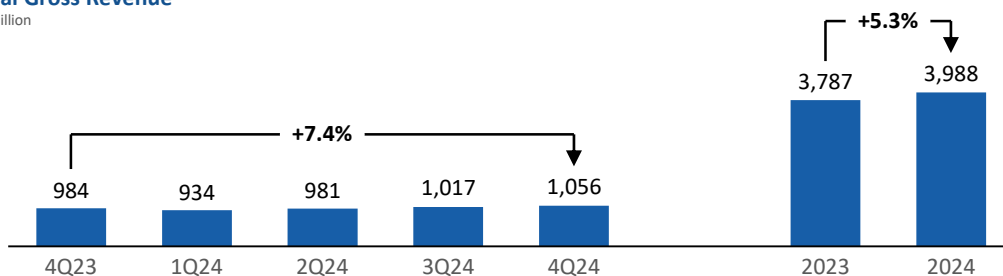
Grupo Petz	4Q24	4Q23	Δ	2024	2023	Δ
R\$ thousands, unless otherwise stated						
By Channel						
Physical	573.925	514.970	11,4%	2.122.584	2.147.816	(1,2%)
Digital	449.063	422.124	6,4%	1.724.263	1.469.503	17,3%
B2B Sales	33.490	46.715	(28,3%)	141.374	169.275	(16,5%)
By Segment						
B2C Sales	989.083	907.348	9,0%	3.725.800	3.489.277	6,8%
B2B Sales	33.490	46.715	(28,3%)	141.374	169.275	(16,5%)
Services & Others	33.905	29.746	14,0%	121.047	128.042	(5,5%)
Total Gross Revenue	1.056.478	983.809	7,4%	3.988.221	3.786.594	5,3%

In 4Q24, Gross Revenue reached R\$1.1 billion, representing a y/y growth of +7.4%, **driven by strong growth in B2C (Business to Consumer) sales, which increased by +9.0% y/y in this quarter.** In 2024, Gross Revenue grew by +5.3% y/y, reaching R\$4.0 billion.

It is important to highlight the **growth of the physical channel, +11.4% y/y**, demonstrating the channel's resilience.

Total Gross Revenue

R\$ million



Gross Revenue | Performance by Channel

Sales in the physical channel showed a growth of 11.4% compared to the same period last year, demonstrating the strength and relevance of the stores in the Company's strategy. It is important to remember that 92% 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.

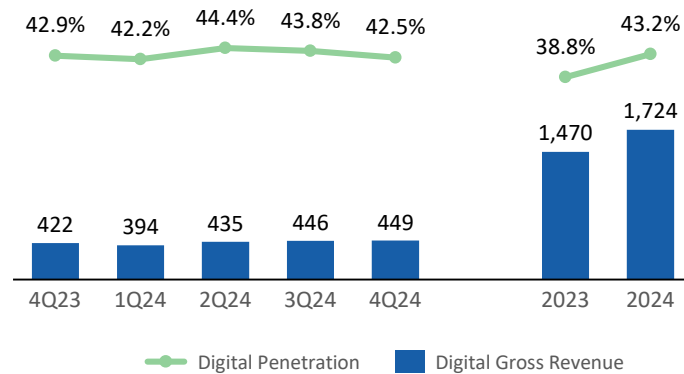
Grupo Petz's Digital Channel totaled R\$449.1 million in 4Q24, representing a y/y growth of +6.4%. As a result, Digital Penetration reached 42.5% of Gross Revenue, a decrease of -0.4 p.p. y/y.

It is important to highlight that during the second quarter of 2024, we updated our commercial strategy to offer products and services with more competitive conditions, primarily in the physical channel. We observed improvements in operational indicators as early as 3Q24, and in 4Q24, the results remained positive and encouraging, including:

- **+7% y/y increase in the number of active customers** (who made at least one purchase within the last 6 months) in the Digital channel in December.
- 538 thousand subscribers in December, with **growth of +21% y/y**, representing 28% of Petz's Revenues
- **Subscriber churn – all-time low in December**, with a reduction of -2.0 p.p. y/y

Total Digital Gross Revenue

R\$ million



92%

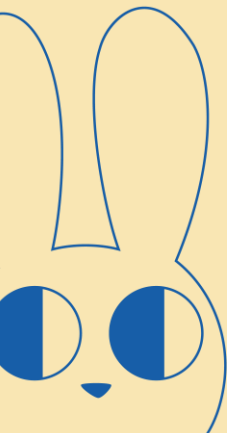
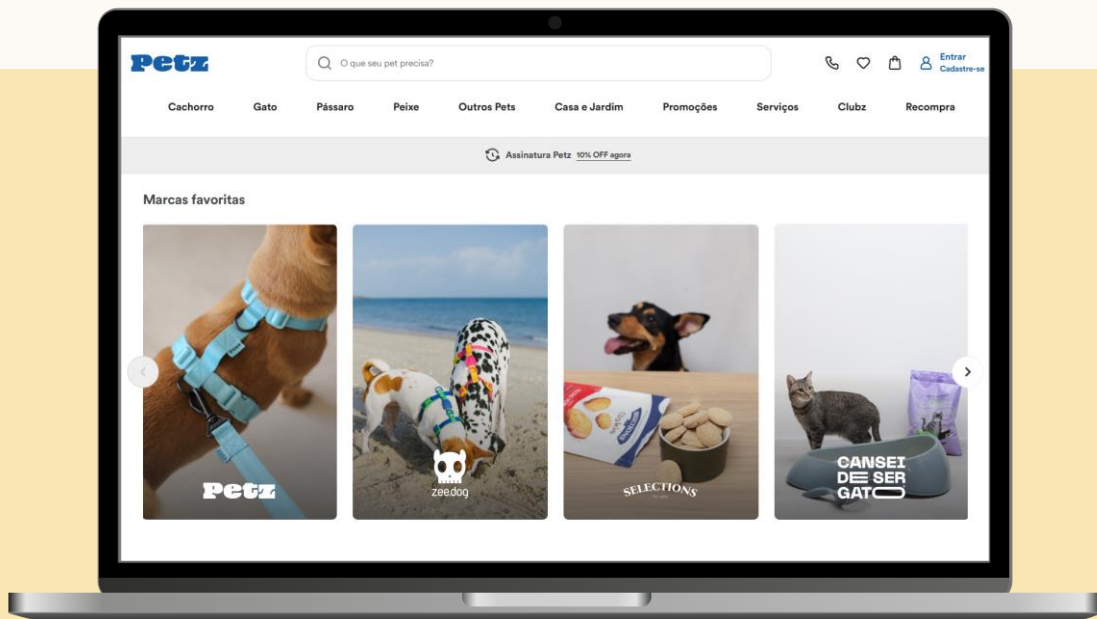
Omnichannel Sales

2,5x

Omni customers consume 2.5 times more than customers who use only a single channel

92%

of Ship from Store sales delivered within 1 business day



Gross Revenue | Performance by Segment

In the quarter, Gross Revenue from the **main product categories** grew by +10.8% y/y.

Accessories category remained the most prominent, with a growth of +15.6% y/y, consolidating the trend observed in the third quarter.

The **Food** segment accounted for 58.9% of the Company's total product revenue, registering a growth of +8.9% y/y.

Within Non-Food, the **Hygiene and Cleaning category achieved the highest growth, with an increase of +16.4% y/y**, followed by **Accessories at +15.6% y/y**, and the **Pharmacy category, which grew by +8.8% y/y**.

58.9%
Food

41.1%
Non
Food



Hygiene and Cleaning
+16.4% y/y

Accessories
+15.6% y/y

Pharmacy
+8.8% y/y

+10.3 p.p. y/y
Bath & Grooming
Occupancy rate

+16.6% y/y
Volume of
veterinary
procedures

On the other hand, the Services segment **showed a growth of 14.0% y/y**. This performance has been driven by improvements in operational indicators: growth in the occupancy rate of Grooming and Bathing (B&T), an increase in the number of baths per professional, an increase in the volume of veterinary procedures, and various actions to ensure better performance, such as sales campaigns, review of discounts, implementation of a first-come, first-served system, among others.

Additionally, **we were able to increase profitability and cash margin in the services segment compared to the previous year**. In this context, it is important to emphasize our strategic focus on revitalizing services through optimizing the installed capacity of our units, controlling costs, reviewing processes with a customer focus, and enhancing service quality.



FINANCIAL INDICATORS



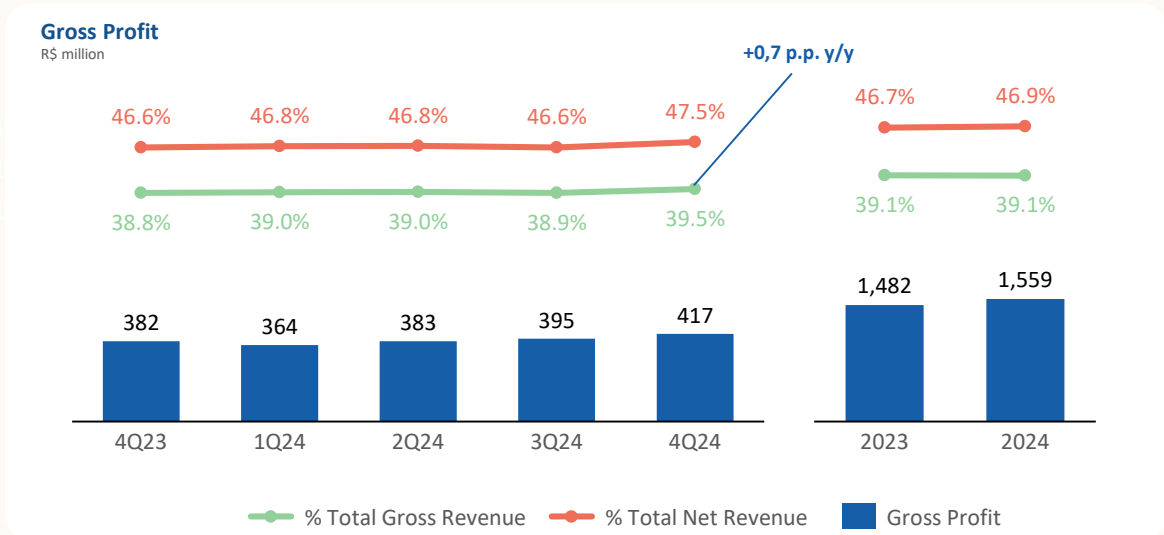
Gross Profit

Gross Profit totaled **R\$417.3 million in 4Q24 (+9.2% y/y)**, representing a gross margin of 39.5%, **an increase of +0.7 p.p. y/y**. For the year, Petz Group's Gross Profit amounted to R\$1.6 billion (+5.2% year-on-year), reflecting a stable gross margin of 39.1%. This result is a product of our continuous efficiency initiatives and a more assertive management of our commercial policies. It's important to highlight that the fourth quarter is characterized by seasonality in the gross margin due to the increased contribution from higher-margin categories, such as accessories and pharmacy, as well as specific negotiations with the industry through additional funding.

Furthermore, **the offering of more accessible products across various categories has helped increase the share of private label brands**, consequently improving gross margin and customer loyalty.

Notably, **the physical channel has returned to growth (+11.4% y/y)**, gaining 0.4 p.p. of share, contributing to the expansion of gross margin. This recovery in the physical channel underscores the importance of our omnichannel strategy and our adaptation to market dynamics.

Since the second quarter, we have been focused on balancing growth and profitability. **Our efforts to optimize cash margin continue to yield positive results**, enabling us to achieve stronger performance aligned with our goals for 2025 and also in the long term.



Operating Expenses

Grupo Petz

	4Q24	4Q23	Δ	2024	2023	Δ
R\$ thousands, unless otherwise stated						
Selling, General and Administrative Expenses	330,834	311,103	6.3%	1,264,701	1,198,127	5.6%
% Total Gross Revenue	31.3%	31.6%	(0.3 p.p.)	31.7%	31.6%	0.1 p.p.
Selling Expenses	250,647	239,425	4.7%	948,405	888,892	6.7%
% Total Gross Revenue	23.7%	24.3%	(0.6 p.p.)	23.8%	23.5%	0.3 p.p.
General & Administrative Expenses	80,187	71,678	11.9%	316,296	309,235	2.3%
% Total Gross Revenue	7.6%	7.3%	0.3 p.p.	7.9%	8.2%	(0.2 p.p.)
Others Operating Expenses	3,102	4,210	(26.3%)	16,691	16,568	0.7%
% Total Gross Revenue	.3%	.4%	(0.1 p.p.)	.4%	.4%	(0.0 p.p.)
Total Operating Expenses	333,936	315,313	5.9%	1,281,392	1,214,695	5.5%
% Total Gross Revenue	31.6%	32.1%	(0.4 p.p.)	32.1%	32.1%	0.1 p.p.

Selling Expenses totaled R\$250.6 million in 4Q24, representing a y/y increase of +4.7%, and accounting for 23.7% of Gross Revenue, a **dilution of 0.6 p.p. compared to the same period last year**. This variation was partly due to revenue growth, which allowed for operational leverage.

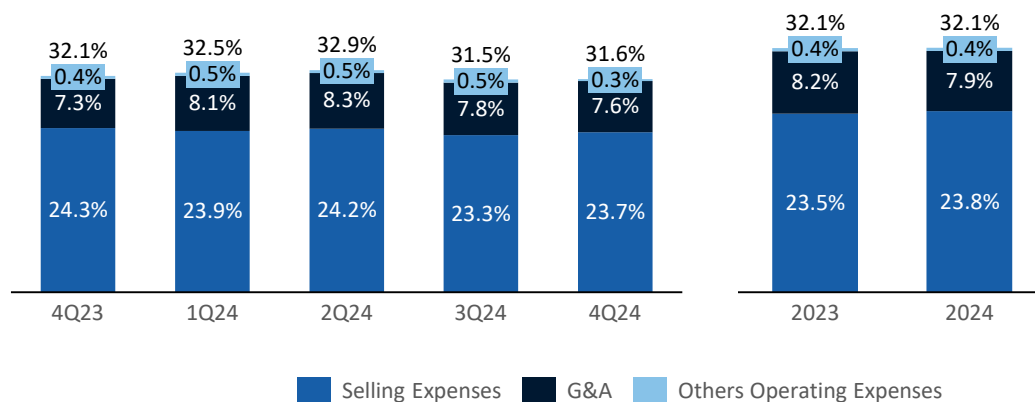
However, despite the strong performance, it is important to note that with the strategy of expanding our store network, logistical expenses have become more burdensome, as we are covering greater distances to deliver products. On the other hand, in 4Q24, we had lower marketing investment compared to 4Q23, which was characterized by the brand refresh strategy for Petz.

General and Administrative Expenses (G&A) totaled R\$80.2 million in 4Q24, marking a y/y increase of +11.9% and accounting for 7.6% of Gross Revenue (+0.3 p.p. y/y). Due to higher volume growth from increased coupons and sales of more accessible products, along with the seasonal effect of fourth quarter, the distribution center operated at a higher occupancy rate, necessitating the hiring of additional staff, which slightly pressured G&A expenses. Additionally, it is important to highlight that in terms of Gross Revenue, the accumulated inflation over the last twelve months was -0.8%, while our fixed expenses are adjusted according to Brazil inflation (e.g., IPCA), contributing to greater pressure during the period.

In the quarter, **Other Operating Expenses totaled R\$3.1 million**, a decline of 26.3% compared to the same period last year, reflecting a reduction in pre-operational expenses for new store openings, given the decrease in the number of store openings compared to 4Q23.

Operating Expenses

% of Grupo Petz's Gross Revenue



Adjusted EBITDA (IAS 17)

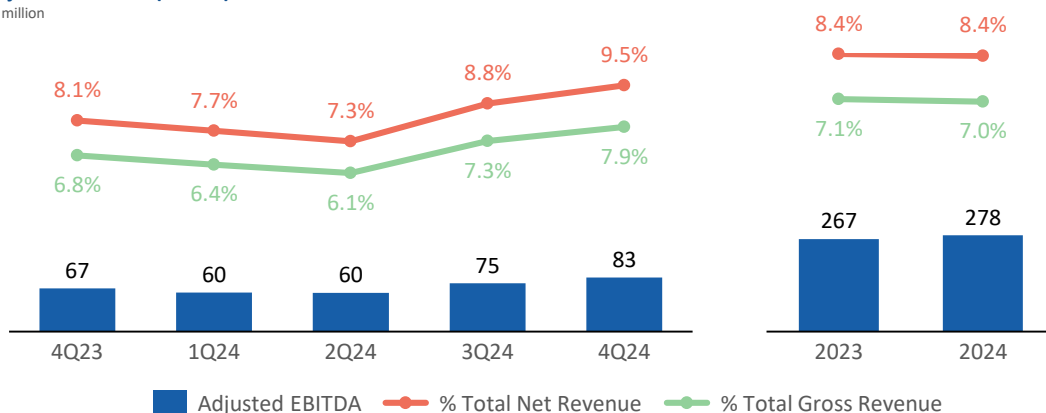
Grupo Petz	4Q24	4Q23	Δ	2024	2023	Δ
R\$ thousands, unless otherwise stated						
EBITDA	13,920	48,635	(71.4%)	176,684	230,494	(23.3%)
(+) Stock Option Plan (SOP)	7,926	7,300	8.6%	24,585	17,310	42.0%
(+) Write-off of Fixed Assets	-	3,171	-	-	3,186	-
(+) Non-recurring results	61,468	7,647	703.8%	76,614	16,104	375.7%
(+) Non-recurring income	-	-	-	-	(3,743)	(100.0%)
(+) Non-recurring expenses	6,075	7,647	(20.6%)	21,221	19,847	6.9%
(+) Impairment Write-down	55,393	-	-	55,393	-	-
Adjusted EBITDA	83,314	66,753	24.8%	277,883	267,094	4.0%
Adjusted EBITDA/Total Gross Revenues	7.9%	6.8%	1.1 p.p.	7.0%	7.1%	(0.1 p.p.)
Adjusted EBITDA IFRS 16	142,113	122,425	16.1%	507,690	483,852	4.9%
Adjusted EBITDA IFRS 16/Total Gross Revenues	13.5%	12.4%	1.0 p.p.	12.7%	12.8%	(0.0 p.p.)

Adjusted EBITDA reached R\$83.3 million in 4Q24 (+24.8% y/y), representing 7.9% of Gross Revenue (+1.1 p.p. y/y), primarily driven by a +0.7 p.p. expansion in Gross Margin and a dilution of 0.4 p.p. in operating expenses, including the reversal of provisions for profit-sharing from the periods of 2023 and 2024 due to lower achievement of the Company's targets.

In 4Q24, Non-Recurring Expenses totaled R\$6.1 million, primarily explained by expenses related to the Merger Agreement with Cobasi, including transaction advisory fees and due diligence, as well as the recognition (non-cash) of R\$1.5 million related to the of the earnout portion of the Zee.Dog transaction.

Adjusted EBITDA (IAS 17)

R\$ million



Impairment

We conduct an annual impairment test on our acquired operations to ensure that our financial statements reflect the economic reality of the business. During 4Q24, this process resulted in accounting adjustments for two acquired companies. **The impact on EBITDA was R\$55.4 million, and on Net Income, it was R\$36.6 million.**

Cão Cidadão, acquired in November 2021, experienced a write-down because the initial revenue projections included the development of a series of services in partnership with Petz, such as pet hotels, dog walking, and pet sitting, which were not implemented. This led to a downward revision of the Company's medium- and long-term projections, impacting the asset valuation.

Zee.Dog, acquired in August 2021, underwent an adjustment primarily influenced by an increase in the discount rate (WACC) used in the impairment test, which rose over the past year, reducing the estimated present value of the asset. It is important to note that despite Zee.Dog's strong operational results and significant synergies captured throughout 2024, the increase in the discount rate negatively affected the accounting valuation of the asset.

It is important to highlight that this amount is merely an accounting impact, recorded in accordance with IAS 36/CPC 01 (R1) - Impairment of Assets, and does not affect the utilization of the tax goodwill amortization benefit.

Financial Result

Grupo Petz	4Q24	4Q23	Δ	2024	2023	Δ
R\$ thousands, unless otherwise stated						
Financial Results	(28,615)	2,313	-	(54,641)	(9,233)	491.8%
Financial Income	20,327	24,588	(17.3%)	84,883	83,180	2.0%
Financial Expenses	(48,942)	(22,275)	119.7%	(139,524)	(92,413)	51.0%

The Financial Result in 4Q24 represented an expense of R\$28.6 million compared to a revenue of R\$2.3 million recorded in 4Q23.

Regarding the debt 4131, taken out in the first quarter of 2023, it is important to highlight that, throughout its five-year term, the outstanding balance will be subject to foreign exchange variations, which will be offset due to the full swap for Brazilian real arranged in connection with the operation.

However, variations may occur between quarters due to differences in the dollar exchange rate between the beginning and end of each period. **In 4Q24, this variation resulted in a negative impact of R\$12.8 million in Net Income, with no cash effects due to the aforementioned swap operation.**

The negative effect on the results mentioned above could still be reversed if a depreciation of the dollar is observed within each analyzed quarter (for example, the dollar exchange rate at the beginning of 1Q25 was R\$6.18 as of January 1st, 2025, and has shown a declining trend, as evidenced by the exchange rate on March 20th, 2025, which was R\$5.68).

It is worth noting that, despite the mark-to-market variation existing between quarters (non-cash effect), at the end of the five-year period the accumulated impact of this will be zero.

It is important to highlight the distribution of dividends, which reduced the amount of financial income from financial investments.

Adjusted Net Income

Adjusted Net Income in 4Q24 totaled **R\$22.4 million, representing a growth of +49.7% y/y**, reflecting the Company's operational growth.

To provide a clearer understanding of operational results, starting from 4Q24, we excluded the impact of the exchange rate variation of the Swap related to debt 4131 from Adjusted Net Income, as it does not have a cash effect and is merely a mark-to-market adjustment of the derivative (swap), as explained above.

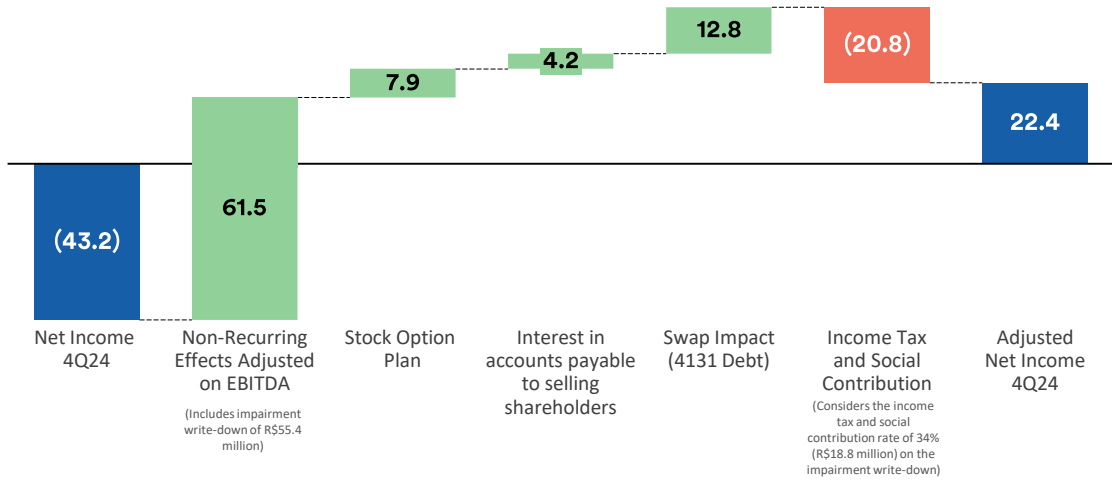
Grupo Petz	4Q24	4Q23	Δ	2024	2023	Δ
R\$ thousands, unless otherwise stated						
Earnings before Income Tax and Social Contribution	(61,624)	7,567	-	(60,818)	55,898	-
Income Tax & Social Contribution	18,449	(2,416)	-	33,305	(19,916)	-
Net Income	(43,175)	5,151	-	(27,513)	35,982	-
(-) Stock Option Plan (SOP)	7,926	7,300	8.6%	24,585	17,310	42.0%
(-) Non-Recurring Effects Adjusted on EBITDA	61,468	7,647	703.8%	76,614	16,104	375.7%
(-) Write-off of Fixed Assets	-	3,171	-	-	3,186	-
(-) Interest in accounts payable to selling shareholders	4,154	725	473.0%	13,904	10,071	38.1%
(-) Swap Impact / 4131 Debt	12,844	(4,475)	-	15,405	(5,806)	-
(-) Tax effects ¹	(20,826)	(4,566)	356.1%	(40,218)	(4,759)	745.2%
Adjusted Net Income	22,391	14,953	49.7%	62,776	72,089	(12.9%)
<i>Adjusted Net Margin (%)</i>	<i>2.1%</i>	<i>1.5%</i>	<i>0.6 p.p.</i>	<i>1.6%</i>	<i>1.9%</i>	<i>(0.3 p.p.)</i>
Adjusted Net Income (IFRS 16)	18,731	11,111	68.6%	47,532	52,459	(9.4%)
<i>Adjusted Net Margin (IFRS 16) (%)</i>	<i>1.8%</i>	<i>1.1%</i>	<i>0.6 p.p.</i>	<i>1.2%</i>	<i>1.4%</i>	<i>(0.2 p.p.)</i>

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.

¹ Considers the income tax and social contribution rate of 34% (R\$18.8 million) on the impairment write-down.

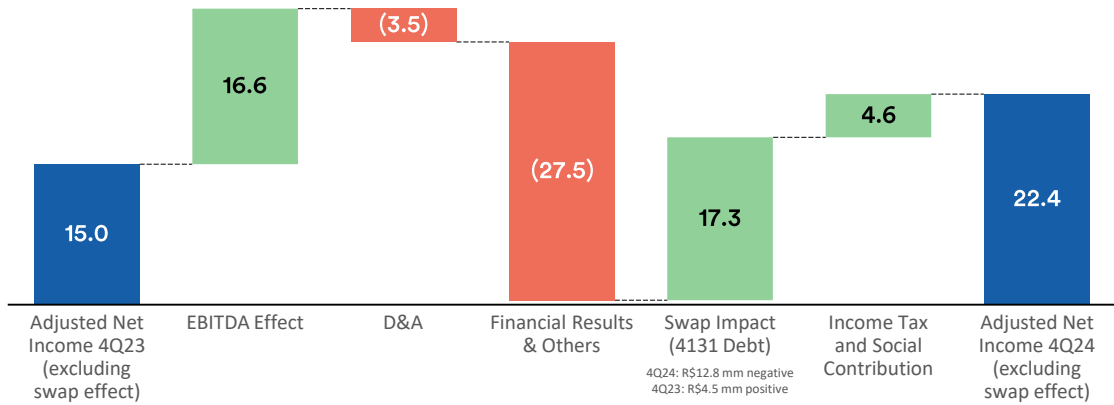
Adjustments to Net Income

R\$ million



Adjusted Net Income 4Q24 vs. 4Q23

R\$ million



Cash Flow

The Company reported another quarter of operational cash generation, sufficient to cover its investments. In 4Q24, Operating Cash Flow was R\$57.4 million, a growth of 51.5% y/y, driven by operational efficiency and effective management of Suppliers and Accounts Payable.

In terms of Net Cash Flow, the Company consumed R\$93.6 million in 4Q24, attributed to the **distribution of dividends** amounting to R\$130 million, which constitutes the cash portion received by Petz shareholders in the context of the business combination with Cobasi. Excluding this effect, the Net Cash Flow for 4Q24 would have been R\$36.4 million.

It is worth mentioning the reclassification, in 4Q23, of Cash and Cash Equivalents to the Financial Applications line, based on the expectation of cash utilization within 90 days, as required by accounting standards.

Grupo Petz R\$ thousands, unless otherwise stated	4Q24	4Q23	Δ	2024	2023	Δ
Cash Flow from Operating Activities	57,415	37,895	51.5%	258,943	240,213	7.8%
Operating Profit before income tax ¹	(61,624)	7,567	-	(60,818)	55,898	-
Depreciation & Amortization	46,985	43,446	8.1%	183,091	163,527	12.0%
Recognized options granted	7,926	7,299	8.6%	24,584	17,309	42.0%
Interest on Loans and Financing ¹	32,663	8,219	297.4%	75,637	40,920	84.8%
Interest in accounts payable to selling shareholders	706	724	(2.5%)	10,456	10,070	3.8%
Other adjustments to Operating Profit before income tax ¹	55,124	3,454	-	63,227	1,568	-
Working Capital Variation	(24,365)	(32,814)	(25.7%)	(35,356)	(49,079)	(28.0%)
Accounts Receivables	(21,268)	3,114	-	(16,846)	(22,339)	(24.6%)
Inventory	(24,520)	(41,697)	(41.2%)	(31,313)	(13,371)	134.2%
Suppliers	26,882	43,649	(38.4%)	6,367	29,837	(78.7%)
Other Assets/Liabilities	7,448	(20,108)	-	65,871	2,537	-
Income Tax and Social Contribution Paid	(453)	(2,241)	(79.8%)	(3,044)	(21,140)	(85.6%)
Interest Paid on Borrowings and Financing	(12,454)	(15,531)	(19.8%)	(53,854)	(24,603)	118.9%
Cash Flow from Investing Activities	(21,363)	(441,627)	(95.2%)	(80,530)	(616,532)	(86.9%)
Financial Applications	23,484	(370,230)	-	88,286	(370,210)	-
Investments	(1,471)	(6,070)	(75.8%)	(4,419)	(9,535)	(53.7%)
Purchase of Property, Plant and Equipment	(43,376)	(65,327)	(33.6%)	(164,397)	(236,787)	(30.6%)
Cash Flow from Financing Activities	(129,636)	(11,808)	997.9%	(158,079)	247,133	-
Borrowings and Financing	-	-	-	-	400,000	(100.0%)
Repayment of borrowings and financing	255	(11,808)	-	(24,309)	(79,774)	(69.5%)
Capital increase	-	-	-	-	983	(100.0%)
Share Buyback	-	-	-	-	(62,068)	(100.0%)
Dividends	(129,891)	-	-	(133,770)	(12,008)	-
Free Cash Flow, Net	(93,584)	(415,540)	(77.5%)	20,334	(129,186)	-
Cash BoP	170,143	471,765	(63.9%)	56,225	185,411	(69.7%)
Cash EoP	76,559	56,225	36.2%	76,559	56,225	36.2%

¹The lines "Operating Profit before income", "Interest on Loans and Financing", and "Other adjustments to Operating Profit before income tax" include the effect of the impairment write-down (net amount of R\$36.6 million) and the currency variation from the swap of the 4131 debt (net amount of R\$12.8 million).

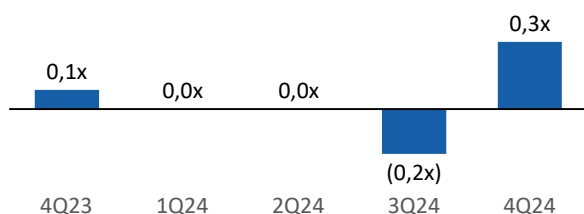


Debt

Grupo Petz	4Q24	4Q23	Δ
R\$ thousands, unless otherwise stated			
Gross Debt	447.119	449.644	(0,6%)
Current Loans and Financing	63.096	47.023	34,2%
Noncurrent Loans and Financing	384.023	402.621	(4,6%)
Cash & Cash Equivalents and Financial Investments	358.503	426.455	(15,9%)
Cash & Cash Equivalents	76.559	56.225	36,2%
Financial applications	281.944	370.230	(23,8%)
Net Debt (Cash)	88.616	23.189	282,1%
Adjusted EBITDA (LTM)	277.882	267.094	4,0%
Net Debt (Cash)/Adjusted EBITDA (LTM)	0,3x	0,1x	0,2x

Leverage

Net Debt (Cash)/Adjusted EBITDA (LTM)



The Company ended 4Q24 with a **Net Debt of R\$88.6 million**, representing 0.3x the Adjusted EBITDA of the last 12 months (compared to 0.1x in the same period last year).

It is worth highlighting the **distribution of dividends**, amounting to R\$130 million, paid during the quarter, which constitutes the cash portion received by Petz shareholders in the context of the business combination with Cobasi.

Investments/CAPEX

Grupo Petz	4Q24	4Q23	Δ	2024	2023	Δ
R\$ thousands, unless otherwise stated						
New Stores & Hospitals	11.537	22.982	(49,8%)	53.901	117.164	(54,0%)
Renovation, Maintenance & Others	18.131	22.603	(19,8%)	48.050	42.162	14,0%
Technology & Digital	15.277	28.173	(45,8%)	56.319	85.804	(34,4%)
Total Investments	44.945	73.758	(39,1%)	158.270	245.130	(35,4%)
Non-Cash Effect	(1.569)	(8.432)	(81,4%)	6.128	(8.342)	-
Cash Flow from Fixed & Intangible Assets	43.376	65.326	(33,6%)	164.398	236.788	(30,6%)

Total Investments amounted to R\$44.9 million in 4Q24, a decrease of -39.1% year-over-year, reinforcing our commitment to the continuous pursuit of operational efficiency. For the year, we invested R\$158.3 million, a decline of -35.4% y/y.

As part of our growth strategy and brand strengthening, R\$11.5 million were invested in the construction of **New Stores**, a reduction of -49.8% y/y, reflecting a slower pace of openings and optimization of capex per store. Additionally, the adoption of more efficient structures and improved design resulted in a leaner, more modern store model aligned with market needs.

Investments in **Renovations, Maintenance, and Others** totaled R\$18.1 million in 4Q24, a decrease of -19.8% y/y. Resources were allocated for preventive and corrective maintenance of stores, visual modernization of units, and implementation of energy efficiency initiatives, contributing to the reduction of operational costs and environmental impact.

Finally, we invested R\$15.3 million in **Technology and Digital** in 4Q24, representing a reduction of -45.8% y/y. It is important to highlight that the main investments related to digital transformation have already been made, and the Company remains focused on optimizing and maintaining the established infrastructure. We continue with our strategy to: (i) maintain our focus on innovation and digital transformation, aiming to develop and enhance products and solutions to delight and retain customers; and (ii) automate and improve existing processes to achieve gains in productivity and safety.

ANNEXES



IAS 17 – Balance Sheet

Grupo Petz R\$ thousands, unless otherwise stated	4Q24	3Q24	2Q24	1Q24	4Q23
ASSETS					
Current Assets	1,379,191	1,455,983	1,357,701	1,339,206	1,379,857
Cash & Cash Equivalents	76,559	170,143	24,310	36,427	56,225
Financial applications	281,944	305,428	385,460	377,331	370,230
Accounts Receivable	386,664	365,381	377,679	364,545	364,273
Inventories	473,207	448,707	416,651	407,949	441,509
Recoverable Taxes and Contributions	124,332	136,506	121,903	126,858	119,798
Other Credits	36,485	29,818	31,698	26,096	27,822
Noncurrent Assets	1,606,546	1,626,201	1,652,834	1,668,310	1,676,836
Other Credits	39,857	41,075	39,175	37,732	36,564
Recoverable Taxes and Contributions	5,060	5,230	27,953	33,083	39,683
Deferred Income Tax and Social Contribution	59,976	22,009	19,773	18,549	12,325
Property, Plant and Equipment	788,428	792,027	798,915	813,851	824,558
Intangible Assets	713,225	765,860	767,018	765,095	763,706
Total Assets	2,985,737	3,082,184	3,010,535	3,007,516	3,056,693
LIABILITIES & SHAREHOLDERS' EQUITY					
Current Liabilities	695,777	761,393	580,982	595,771	649,906
Suppliers	408,843	380,541	365,641	365,715	409,066
Loans, Financing and Debentures	63,096	28,795	18,868	31,297	47,023
Payroll and Related Taxes	91,075	104,308	88,322	91,553	84,560
Taxes Payable	59,004	53,282	48,643	48,883	52,203
Dividends Payable	134	130,026	26	3,905	3,905
Accounts payable for the acquisition of subsidiaries	2,953	3,163	3,102	2,447	3,517
Other Payable	69,609	58,946	53,983	50,191	48,703
Loyalty Program	1,063	2,332	2,397	1,780	929
Non-current Liabilities	521,583	535,224	533,519	519,874	522,657
Loans, Financing and Debentures	384,023	397,859	401,643	393,161	402,621
Accounts payable for the acquisition of subsidiaries	113,996	113,015	108,072	105,733	101,251
Other Payable	-	663	355	5,440	3,280
Provisions for Civil and Labor Risks	23,564	23,687	23,449	15,540	15,505
Shareholders' Equity	1,768,377	1,785,567	1,896,034	1,891,871	1,884,130
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	83,568	75,642	70,089	64,537	58,984
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	(128,629)	(130,545)	(128,312)	(129,594)	(129,594)
Profit Reserves	85,749	112,781	226,568	229,239	227,051
Total Liabilities and Shareholders' Equity	2,985,737	3,082,184	3,010,535	3,007,516	3,056,693

IAS 17 – Cash Flow – Indirect Method

Grupo Petz	4Q24	4Q23	2024	2023
R\$ thousands, unless otherwise stated				
Cash Flow from Operating Activities	57,415	37,895	258,943	240,213
Operating Profit before income tax	(61,624)	7,567	(60,818)	55,898
Depreciation & Amortization	46,985	43,446	183,091	163,527
Allowance for Inventory Losses	20	13	(385)	(45)
Recognized options granted	7,926	7,299	24,584	17,309
Interest on Loans and Financing	32,663	8,219	75,637	40,920
PP&E Write-off	-	3,199	5,123	3,298
Impairment Write-down	55,393	-	55,393	-
Loyalty Program	(1,269)	(363)	134	(2,212)
Provision for Civil and Labor Risks	1,035	671	1,314	792
Interest in accounts payable to selling shareholders	706	724	10,456	10,070
Depreciation & Amortization - Refund of Improvements	(55)	(66)	(230)	(265)
Working Capital Variation	(24,365)	(32,814)	(35,356)	(49,079)
ASSETS				
Accounts Receivables	(21,268)	3,114	(16,846)	(22,339)
Inventory	(24,520)	(41,697)	(31,313)	(13,371)
Recoverable Taxes and Contributions	8,061	(8,128)	34,967	(23,258)
Other Credits	(5,050)	3,023	(15,669)	(7,414)
LIABILITIES				
Suppliers	26,882	43,649	6,367	29,837
Payroll and Related Taxes	(13,233)	(16,238)	6,505	8,482
Taxes Payable	1,867	715	8,030	5,641
Accounts Payable	15,803	520	29,501	19,086
Income Tax and Social Contribution Paid	(453)	(2,241)	(3,044)	(21,140)
Interest Paid on Borrowings and Financing	(12,454)	(15,531)	(53,854)	(24,603)
Cash flow from Investing Activities	(21,363)	(441,627)	(80,530)	(616,532)
Financial applications	23,484	(370,230)	88,286	(370,210)
Investments	(1,471)	(6,070)	(4,419)	(9,535)
Purchase of Property, Plant and Equipment	(43,376)	(65,327)	(164,397)	(236,787)
Cash Flow from Financing Activities	(129,636)	(11,808)	(158,079)	247,133
Borrowings and Financing	-	-	-	400,000
Repayment of borrowings and financing	255	(11,808)	(24,309)	(79,774)
Capital increase	-	-	-	983
Share Buyback	-	-	-	(62,068)
Dividends	(129,891)	-	(133,770)	(12,008)
Free Cash Flow, Net	(93,584)	(415,540)	20,334	(129,186)
Cash BoP	170,143	471,765	56,225	185,411
Cash EoP	76,559	56,225	76,559	56,225

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

Grupo Petz	4Q24	4Q23	2024	2023
R\$ thousands, unless otherwise stated				
Earnings Before Interest Tax (EBIT)	(15,212)	23,336	62,988	128,087
(+) Depreciation & Amortization	46,404	42,837	180,737	163,262
(+) Depreciation – Right of Use (CPC 06 (R2))/IFRS 16)	41,526	40,937	162,830	159,637
EBITDA	72,718	107,110	406,555	450,987
(+) Rental Expenses	(58,799)	(55,672)	(229,808)	(216,757)
EBITDA ex./ IFRS 16	13,919	51,438	176,747	234,230
(+) Stock Option Plan (SOP)	7,926	7,300	24,585	17,310
(+) PP&E Write-off	-	3,171	-	3,186
(+) Right of use (CPC 06 (R2))/IFRS 16) Write-off	-	(2,803)	(65)	(3,735)
(+) Non-recurring results	61,468	7,647	76,614	16,104
(+) Non-recurring income	-	-	-	3,743
(+) Non-recurring expenses	6,075	7,647	21,221	19,847
(+) Impairment Write-down	55,393	-	55,393	-
Adjusted EBITDA	83,313	66,753	277,881	267,095
Adjusted EBITDA IFRS 16	142,112	122,425	507,689	483,852

Annex II – IFRS 16 Impact – Statement of Income

Grupo Petz	4Q24		Δ
	IAS 17	IFRS 16	
R\$ thousands, unless otherwise stated			
Gross Revenue from Products and Services	1,056,478	1,056,478	-
Taxes and other Deductions	(177,774)	(177,774)	-
Net Revenue from Products and Services	878,704	878,704	-
Cost of Goods Sold and Services Rendered	(461,454)	(461,454)	-
Gross Profit	417,250	417,250	-
Operating Revenue (Expenses)	(333,936)	(432,462)	98,526
Selling	(250,647)	(272,106)	21,459
General & Administrative	(80,187)	(87,772)	7,585
Other Operating Income (expenses), net	(3,102)	(72,584)	69,482
Operating Profit before Financial Income	(33,009)	(15,212)	(17,797)
Financial Results	(28,615)	(51,958)	23,343
Financial Income	20,327	20,327	-
Financial Expenses	(48,942)	(72,285)	23,343
Earnings before Income Tax and Social Contribution	(61,624)	(67,170)	5,546
Income Tax and Social Contribution	18,449	20,335	(1,886)
Net Profit	(43,175)	(46,835)	3,660



Annex III – IFRS 16 Impact – Balance Sheet

Grupo Petz R\$ thousands, unless otherwise stated	4Q24		Δ
	IAS 17	IFRS 16	
ASSETS			
Current Assets	1,379,191	1,377,991	1,200
Cash & Cash Equivalents	76,559	76,559	-
Financial applications	281,944	281,944	-
Accounts Receivable	386,664	386,664	-
Inventories	473,207	473,207	-
Recoverable Taxes and Contributions	124,332	124,332	-
Other Credits	36,485	35,285	1,200
Noncurrent Assets	1,606,546	2,497,122	(890,576)
Other Credits - LP	39,857	39,857	-
Recoverable Taxes and Contributions	5,060	5,060	-
Deferred Income Tax and Social Contribution	59,976	114,039	(54,063)
Property, Plant and Equipment	788,428	1,636,093	(847,665)
Intangible Assets	713,225	702,073	11,152
Total Assets	2,985,737	3,875,113	(889,376)
LIABILITIES & SHAREHOLDERS' EQUITY			
Current Liabilities	695,777	823,961	(128,184)
Suppliers	408,843	408,843	-
Loans, Financing and Debentures	63,096	63,096	-
Payroll and Related Taxes	91,075	91,075	-
Taxes Payable	59,004	59,004	-
Dividends Payable	134	134	-
Accounts payable for the acquisition of subsidiaries	2,953	2,953	-
Other Payable	69,609	48,096	21,513
Loyalty Program	1,063	1,063	-
Leasing Right of Use Payable (IFRS 16)	-	149,697	(149,697)
Non-current Liabilities	521,583	1,389,466	(867,883)
Loans, Financing and Debentures	384,023	384,023	-
Accounts payable for the acquisition of subsidiaries	113,996	113,996	-
Other Payable	-	-	-
Provisions for Civil and Labor Risks	23,564	23,564	-
Leasing Right of Use Payable (IFRS 16)	-	867,883	(867,883)
Shareholders' Equity	1,768,377	1,661,686	106,691
Capital	1,725,427	1,725,427	-
Capital Reserves	39,505	39,505	-
Reserve for Options Granted	83,568	83,568	-
Treasury Shares	(62,068)	(62,068)	-
Special Goodwill Reserve	24,825	24,825	-
Equity adjustment	(128,629)	(128,629)	-
Profit Reserves	85,749	(20,942)	106,691
Total Liabilities and Shareholders' Equity	2,985,737	3,875,113	(889,376)

Annex IV – IFRS 16 Impact – Cash Flow

Grupo Petz	4Q24		Δ
	IAS 17	IFRS 16	
R\$ thousands, unless otherwise stated			
Cash Flow from Operating Activities	57,415	107,881	(50,466)
Profit Before Income Tax and Social Contribution	(61,624)	(67,169)	5,545
Depreciation & Amortization	46,985	46,460	525
Depreciation – Right of Use (CPC 06 (R2))/IFRS 16)	-	41,526	(41,526)
Interest Expenses – Right of use (CPC 06 (R2))/IFRS 16)	-	25,373	(25,373)
Allowance for Inventory Losses	20	20	-
Recognized options granted	7,926	7,926	-
Interest on Loans and Financing	32,663	32,663	-
PP&E Write-off	-	-	-
Impairment Write-down	55,393	55,393	-
Right of use (CPC 06 (R2))/IFRS 16) Write-off	-	-	-
Loyalty Program	(1,269)	(1,269)	-
Provision for Civil and Labor Risks	1,035	1,035	-
Interest in accounts payable to selling shareholders	706	706	-
Depreciation & Amortization - Refund of Improvements	(55)	(55)	-
ASSETS			
Accounts Receivables	(21,268)	(21,268)	-
Inventory	(24,520)	(24,520)	-
Recoverable Taxes and Contributions	8,061	8,061	-
Other Credits	(5,050)	(5,050)	-
LIABILITIES			
Suppliers	26,882	26,882	-
Payroll and Related Taxes	(13,233)	(13,233)	-
Taxes Payable	1,867	1,867	-
Accounts Payable	15,803	15,346	457
Income Tax and Social Contribution Paid	(453)	(453)	-
Interest Paid on Borrowings and Financing	(12,454)	(12,454)	-
Interest Paid on Right of Use (CPC 06 (R2))/IFRS 16)	-	(9,906)	9,906
Cash flow from investing activities	(21,363)	(21,363)	-
Financial applications	23,484	23,484	-
Investments	(1,471)	(1,471)	-
Purchase of Property, Plant and Equipment	(43,376)	(43,376)	-
Cash Flow from Financing Activities	(129,636)	(180,102)	50,466
Repayment of borrowings and financing	255	255	-
Dividends	(129,891)	(129,891)	-
Payment of Right of Use (CPC 06 (R2))/IFRS 16)	-	(50,466)	50,466
Free Cash Flow, Net	(93,584)	(93,584)	-
Cash BoP	170,143	170,143	-
Cash EoP	76,559	76,559	-

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

Investor Relations

Aline Penna – CFO, IRO, ESG and New Business Vice-President
 Marcos Benetti – IR, M&A and New Business Manager
 Nicole Caputo – IR Consultant

ri@petz.com.br
 ri.petz.com.br
 +55 (11) 3434-7181

Press Office

Marilia Paiotti
 Email: petz@novapr.com.br

