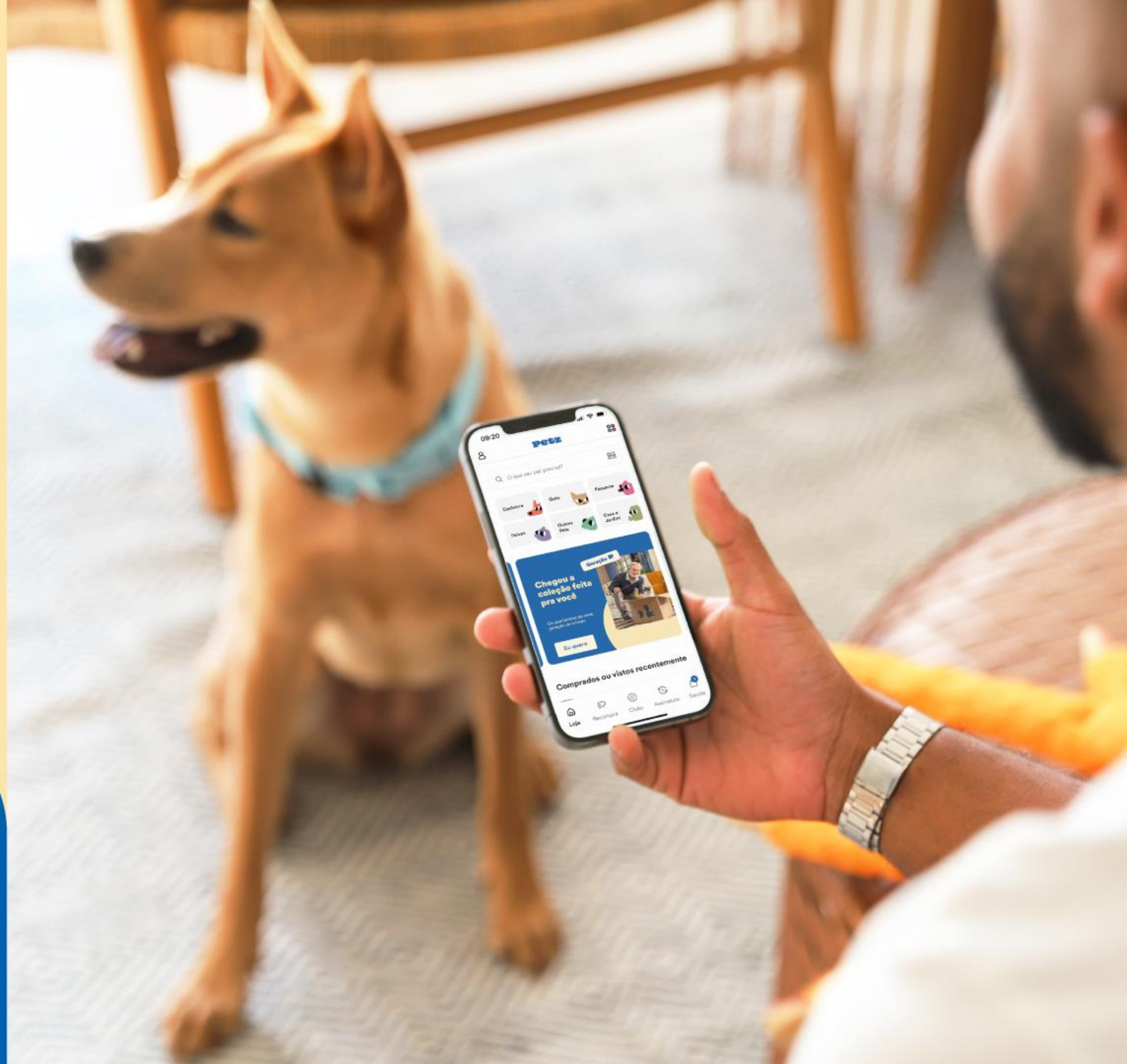


3Q23 Results

November 10th, 2023



Petz

CENTRO VETERINÁRIO
seres

adotepetz

zeedog

petix.
o melhor para seu pet

CANSEI
DE SER
GATO

Cão Cidadão

Disclaimer

The statements contained in this document regarding outlooks for the business, forecasts of operations, financial results, and growth outlooks for Petz are mere projections. They are solely based on the expectations of management regarding the future of the business. These expectations substantially depend on market conditions, performance of Brazilian economy, the industry and international markets. Therefore expectations are subject to change without prior notice. All changes presented herein are calculated based on figures in thousands of reais, 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's expectations. Non-accounting data was not reviewed by the company's independent auditors.

3Q23 Results Video Conference Agenda

1

Message from Management

2

Financial Results

3

Petz Brand Refresh

4

Q&A

1 Message from Management

Sergio Zimmerman | Founder and CEO

3Q23 Key messages

Our decisions continue to be guided by the **best balance** between growth, profitability and innovation

- **Growth:** adjustments in commercial conditions to improve competitiveness, preserve the customer base and gain market share
Customer indicators already show sequential improvement
- **Profitability:** expense control, greater diligence in investment approval and continuous search for efficiencies in working capital
Generation of operating cash flow enough to cover our investments
- **Innovation:** Petz brand refresh successfully implemented

3Q23 was a period of intense reflection and highlighted the importance of **evaluating strategies, priorities** and **adjusting action plans** in a challenging business environment for the retail sector.



Customers KPI showing important sequential improvement

Even if this improvement is not reflected in the top line dynamics in the short term, we believe we are on the right path to increasing customer loyalty and engagement levels

ACTIVE CLIENTS

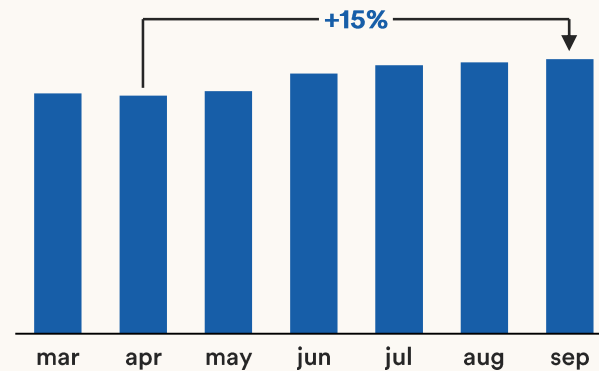
Increase in the active customer base, reflecting:

- Churn reduction
- Greater reactivation of inactive customers
- Healthy pace of new customer acquisition

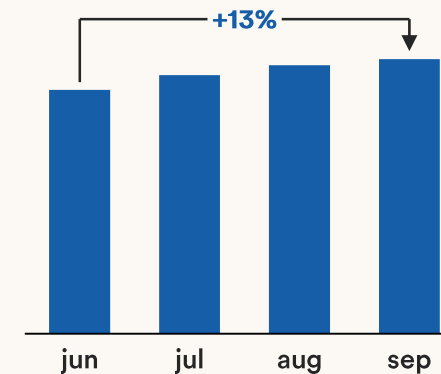
2.6MM (+12 p.p. y/y)

Active omnichannel customers¹ in Sep/23

New and reactivated customers per month
(100 Base | 2023)



Number of active subscribers in 2023



Churn

Lowest level in history in Sep/23
(-1.5 p.p. y/y)

390k (+12 p.p. y/y)


Active subscribers¹ in Sep/23



Top-line growth driven by an **increase in coupons**, while the **average ticket remains stable** due to a **reduction in items per cart** (mainly affecting discretionary items)

Brazilian pet market main fundamentals remain solid



Brazil is one of the largest pet markets in the world, with strong trends driving growth



Pet population increase

It will continue to grow, due to:



- Human population aging and the “empty nest” syndrome
- Couples deciding to have children later/not to have children
- Increase in pet life expectancy
- Trend of more than one pet per household



Pet humanization

The act of having a pet as a member of the family will continue to grow:



- Emotional relationship, not based solely on product attributes
- Young people today have seen their pet as a family member since they were born: this generation grew up used to sharing intimate spaces with their pet



Level of information of pet owners

People are looking for more information about their pets and quality information is scarce:


- Blog/text is no longer the most desired (and democratic) source: need to strengthen content channel, preferably through video
- Access to information increases spending levels



Available income

Contraction of the current macroeconomic environment:

- Customer loyalty: importance of being well positioned when the situation improves



Petz main pillars and 2024 overview

We are convinced that Petz is in a privileged position, with a solid cash position, low level of debt, immaterial exposure to tax incentives, as well as being a market leader in a resilient segment

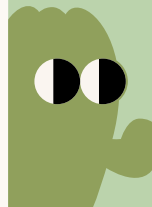
Presence in a resilient market with solid growth trends

- Humanization and pet population continue to increase



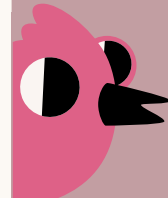
Leading, scalable, and profitable Omnichannel platform

- Healthy growth levels
- Platform in continuous improvement
- Growing customer base



Robust financial structure

- Solid cash position
- Low level of indebtedness
- Immaterial exposure to tax incentives



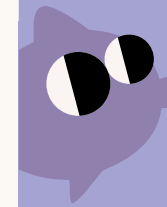
Continuous pursuit of operational efficiency

- Expense reduction process underway
- Significant improvement in cash conversion cycle
- Capex reduction process and store size optimization




Continuity in capturing synergies with acquired companies

- Significant improvement in the acquired companies performance
- Zee.Dog on track towards breakeven




2024 Strategic planning

Our top management prepared a strategic plan, with a special focus on 2024, taking into account solid trends in the pet segment




Growth

- Assessment of Petz store expansion strategy, in addition to the search for greater efficiency through clustering and assortment
- Zee.Dog franchise expansion
- Feasibility studies for cross-border alternatives



Profitability

- Operational efficiency and increase in productivity
- Logistics optimization
- Continuity of capturing synergies with the integrations



Innovation and differentiation

- Share increase of private label products, highlighting the dry food project
- More intensive content generation and in new formats, given the lack of quality information
- Evolution of the Benefits Club (Clubz), with the launch of Petz Prime





Realistic and clear objectives, taking into account resource limitations in a still high capital cost scenario

2 Financial Results

Aline Penna | VP de Finance, RI/ESG
and New Business







Financial Highlights | Petz Group 3Q23

3Q23	 Total Gross Revenue (TGR)	 Gross Profit	 Adjusted EBITDA	 Operating Cash Generation
Petz Group	R\$ 945.1 MM +6.8% y/y	R\$ 361.3 MM +1.6% y/y 38.2% TGR (-2.0 p.p. y/y)	R\$ 65.4 MM -9.4% y/y 6.9% TGR (-1.2 p.p. y/y)	+R\$ 82.4 MM vs. +R\$21.6 MM in 3Q22

Highlights

- **Petz Standalone Gross Revenue:** R\$867.7 MM; **+9.0% y/y**, with highlight on Products **+10.0% y/y**
- **Petz Standalone Digital Gross Revenue (PDGR):** R\$342.4 MM; **+19.6% y/y**
- **Same-Store-Sales:** **-0.5% y/y**
- **Petz Standalone Gross Profit:** R\$330.3 MM; **+1.1 y/y**; Gross Margin of **38.1%** of PGR (**-3.0% y/y**)
- Margin pressure reflecting increased Digital Penetration y/y, greater investment in competitiveness and PIS/Cofins tax changes
- **Petz Group Operating Expenses** R\$295.8 MM; **+4.4% y/y**
- **Petz Standalone Adjusted EBITDA:** R\$63.7 MM; **-14.0% y/y**; Adjusted EBITDA Margin of **7.3%** of PGR (**-2.0 p.p. y/y**)
- **Acquisitions EBITDA: R\$1.7 MM**, an improvement vs. 3Q22 and 2Q23
- Significant **15 day improvement** in **cash conversion cycle**
- Efficiency in working capital, mainly reflecting the **reduction of inventory levels**
- **R\$14.7 MM** of Adjusted Net Income (**-52.0% y/y**), reflecting the **increase in D&A, lower financial result** in 3Q23 and the **still negative effect from acquisitions**

Financial Highlights | Petz Group 9M23

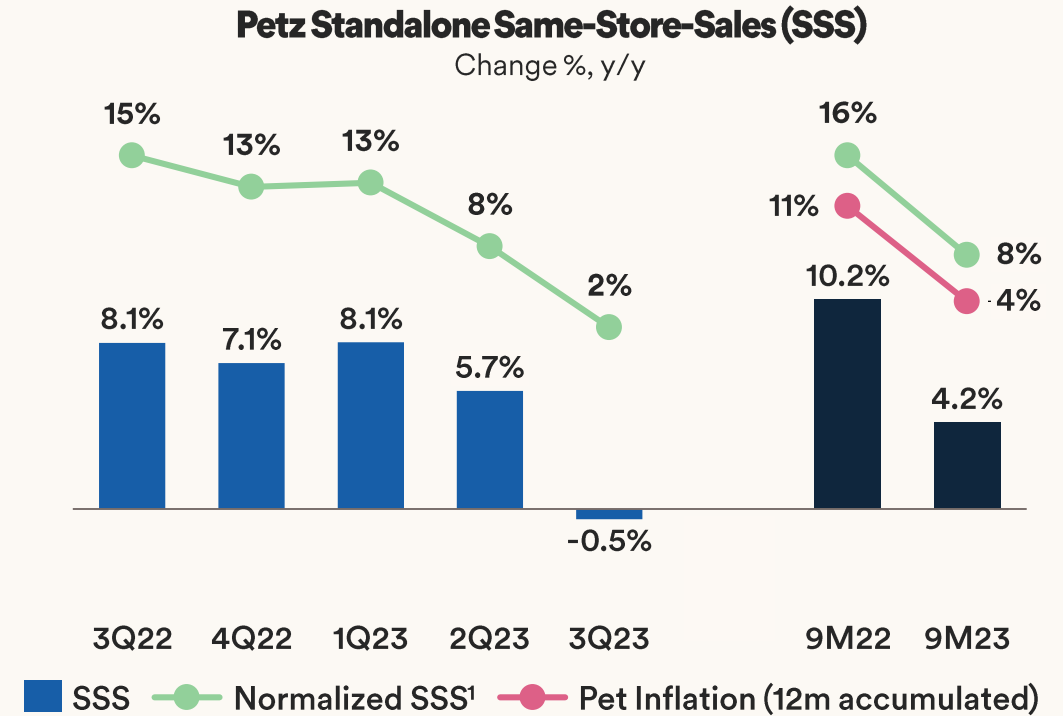
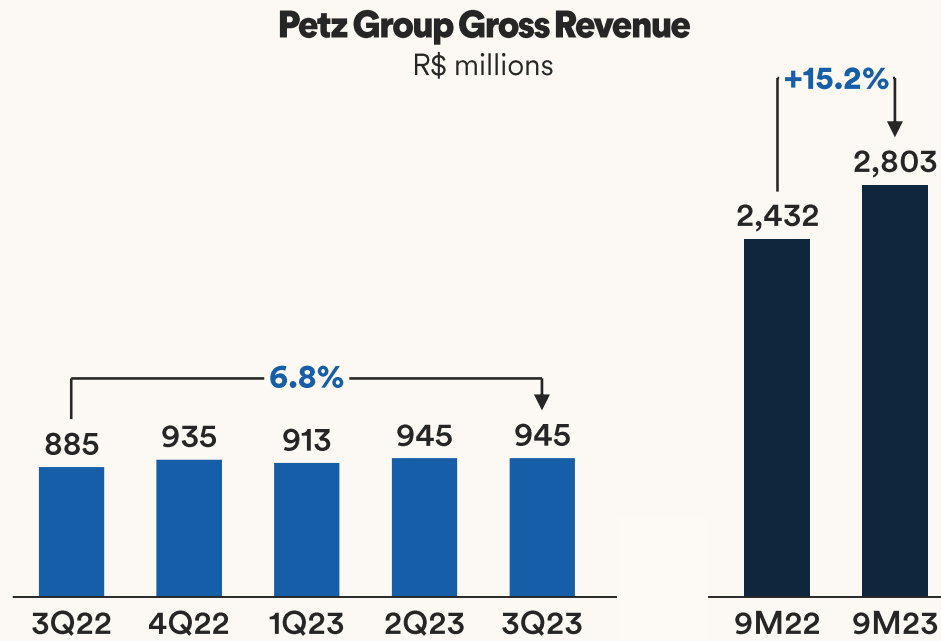
9M23	 Total Gross Revenue (TGR)	 Gross Profit	 Adjusted EBITDA	 Operating Cash Generation
Petz Group	R\$ 2.8 BI +15.2% y/y	R\$ 1.1 BI +11.4% y/y 39.2% TGR (-1.4 p.p. y/y)	R\$ 200.3 MM +5.3% y/y 7.1% TGR (-0.7 p.p. y/y)	+R\$ 177.0 MM vs. -R\$39.3MM in 9M22

Highlights

- **Petz Standalone Gross Revenue:** R\$2.6 BI; **+15.0% y/y**, with highlight on Products (**+15.9% y/y**)
- **Petz Standalone Digital Gross Revenue (PDGR):** R\$954.9 MM; **+27.5% y/y**
- **Same-Store-Sales: +4.2% y/y**
- **Petz Standalone Gross Profit:** R\$1.0 BI; **+11.3 y/y**; Gross Margin of **39.4%** of PGR (**-1.3% y/y**)
- **Petz Group Operating Expenses:** R\$899.4 MM; **+12.9% y/y**
- **Petz Standalone Adjusted EBITDA:** R\$205.1 MM; **+3.6% y/y**; Adjusted EBITDA Margin of **8.0%** of PGR (**-0.9 p.p. y/y**)
- Mainly a reflection of the **reduction in inventory levels and greater tax efficiency** with the new DC in Goiás (less accumulation of credits)
- Generation of operating cash flow enough to **cover our investments**

Petz Group Gross Revenue

Highlight for the performance of Petz Standalone products, especially the food, pharmacy and hygiene & cleaning categories



R\$ 868 MM

Petz Standalone Gross Revenue (+9% y/y), with a highlight on Products (+10% y/y)

-0.5% SSS

Reflection of the challenging macro scenario, cooling in Pet inflation, reduction in Service revenue and accelerated pace of expansion

R\$ 97 MM

Acquisitions Gross Revenue (-4% y/y), effect of the performance of Zee.Dog's International vertical and implementation of Petix new commercial strategy

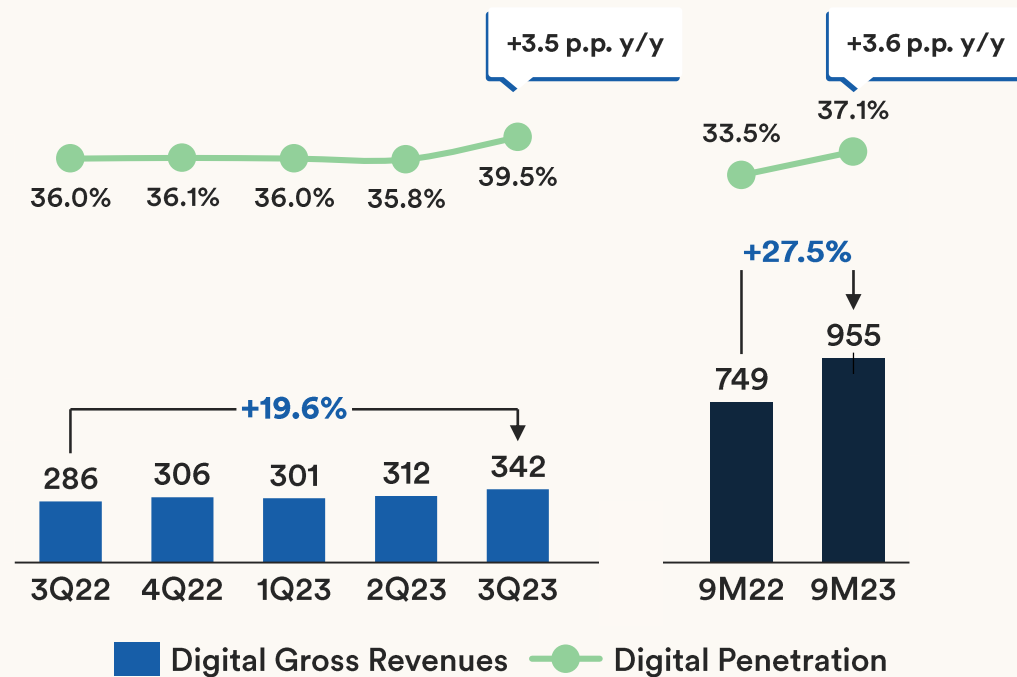
¹ Excluding stores that were impacted by the opening of new Petz units in areas of influence and/or in the same city.

Petz Standalone Digital channel

Robust growth of +20% y/y (on strong comparison base +44% y/y in 3Q22)

Digital Gross Revenue and Digital Penetration

R\$ millions, % Petz Standalone Gross Revenue



Record Digital Penetration

Increase in share of **3.5 p.p. y/y** and **+3.7 p.p. q/q**, reflecting changes in commercial conditions to improve competitiveness in Digital



Adjustments to commercial conditions

Specific price reductions, elimination of service fees for Pick-up throughout Brazil and discounts for Pick-up in some regions



NPS at excellence zone

85 in Sep/23 (+1.4 points y/y), with consistent evolution across all channels and segments

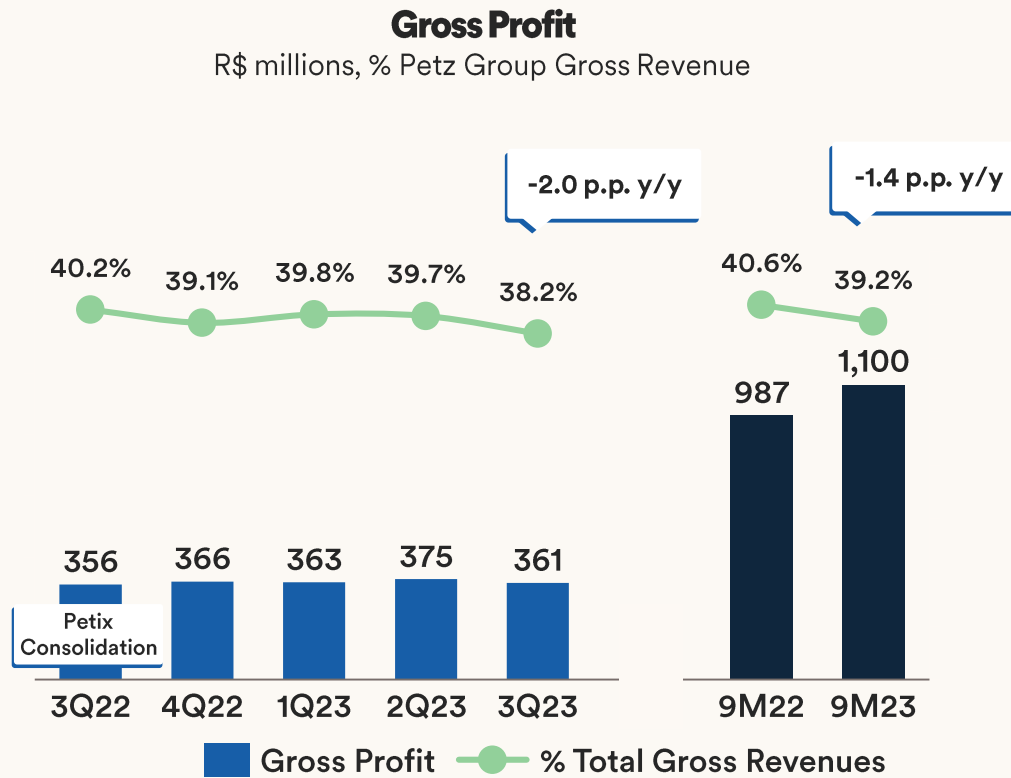


High level of service

95% of Ship from Store sales delivered within **1 business day**, with **86%** of all Digital orders

Petz Group Gross Margin

Margin pressure mainly reflected by the Petz Standalone performance



Petz Group Margin -2,0 p.p. y/y

mainly a reflection of the Petz Standalone performance



Petz Standalone Margin -3.0 p.p. y/y

reflection of increased Digital Penetration y/y, greater investment in competitiveness



Cooling of pet internal inflation

4% accumulated over 12 months in Sep/23 (vs 11% in Sep/22), reflecting a lower growth in top line and SSS

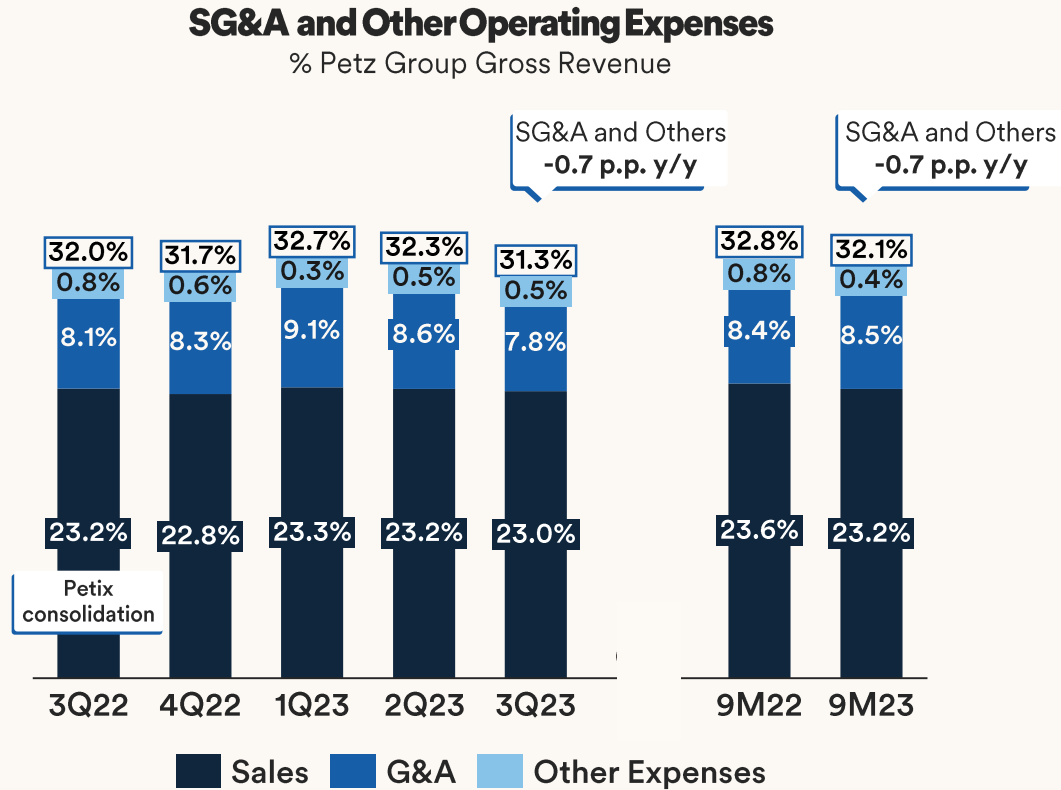


Zee.Dog

Ongoing implementation of strategic changes: International (asset-light operation) + ZDK (initiatives for factory profitability)

Petz Group Operating Expenses

Efficiency reflected in initiatives in SG&A and Other Operating Expenses



+4% y/y

Petz Group Operating Expenses, representing a level of 31% on Gross Revenue (-0.7 p.p. y/y)



+6% y/y

Sales Expenses, a result of efficiency in digital variable expenses (marketing and last mile), store personnel and consumption



+3% y/y

G&A Expenses, reflecting efficiency in CD personnel and capturing synergies with integrations



-26% y/y

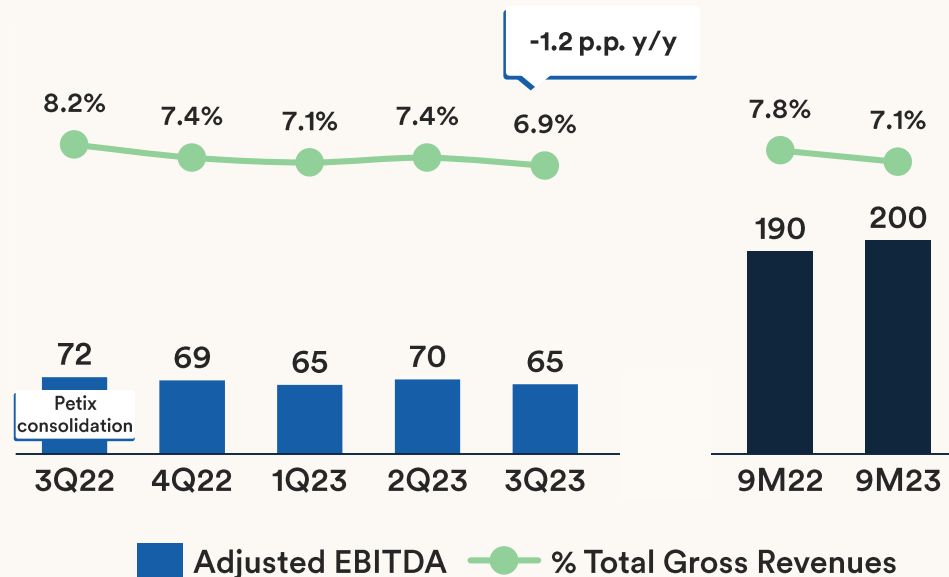
Other Operating Expenses (pre-op of new stores), reflecting a slower pace of openings in 2023 and greater efficiency with new units

Petz Group Adjusted EBITDA Margin

Expense efficiencies were not enough to offset pressure on gross margin

Adjusted EBITDA

R\$ million, % Petz Group Gross Revenue



4-wall EBITDA (Stores)

% Petz Standalone Gross Revenue

Cohorts	# Stores	4-wall EBITDA (3Q23LTM)
Until 2018	80	18.1%
2019	26	17.7%
2020	28	17.0%
2021	37	15.3%
2022	50	9.5%
2023	20	7.5%



R\$120MM (flat y/y)

Petz Group IFRS 16 Adjusted EBITDA in 3Q23

7.3%

Petz Standalone Adjusted EBITDA Margin (-2.0 p.p. y/y), reflection of gross margin pressure, greater share of Digital and store maturation effect

+R\$1.7 MM

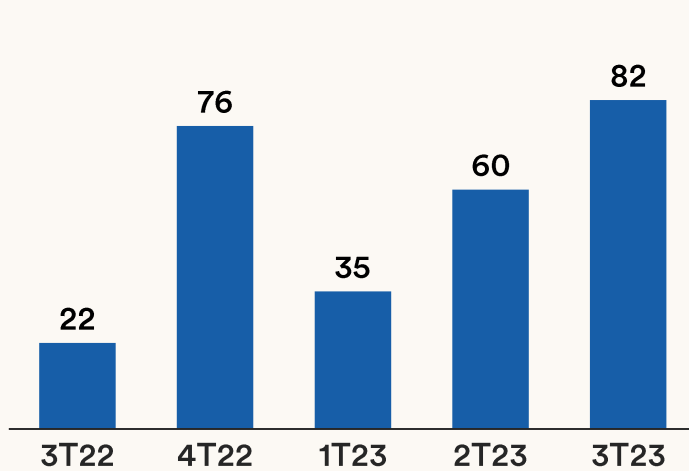
Acquisitions EBITDA, improvement vs. -R\$1.9MM in 3Q22 and -R\$1.3MM in 2Q23, reflecting the capture of synergies with integrations

Cash flow, capex and debt

Robust cash position reflecting discipline in approving investments and seeking efficiencies in working capital

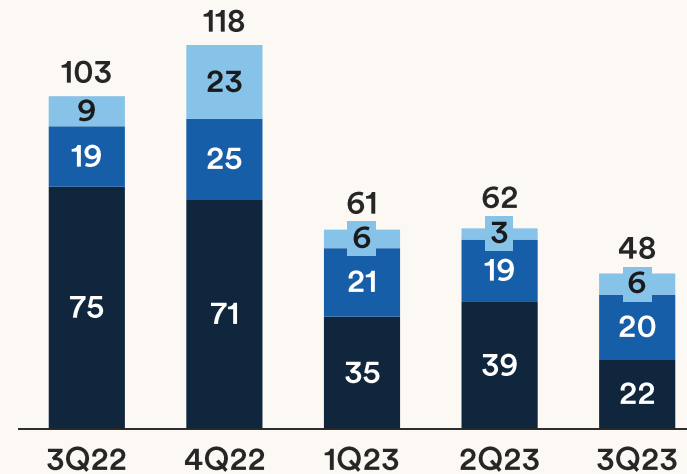
Operating Cash Flow

R\$ million



Capex

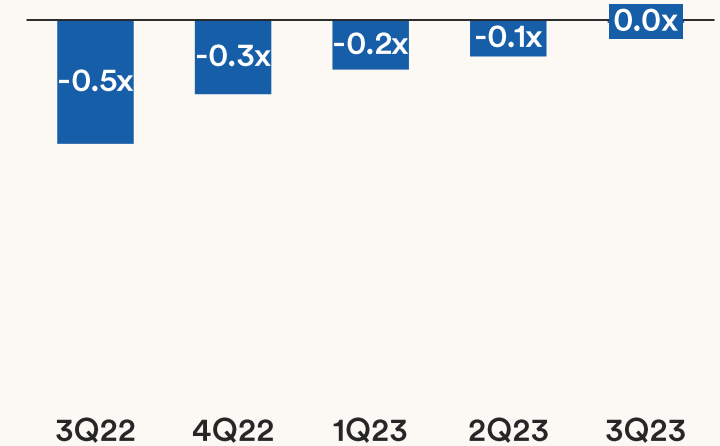
R\$ million



- New Stores and Hospitals
- Technology and Digital
- Renovation, Maintenance and Others¹

Leverage (IAS 17)

Net Debt/Adjusted EBITDA 12M



- **R\$82 MM** of operating cash generation
- **Reduction in inventory levels and more tax efficiency** with the Goiás DC (less accumulation of credits)
- **1st Buyback Program:** 11.6MM shares repurchased in Aug/23 (R\$62MM)

- **-53% y/y** of Total Investments
- **-71% y/y** of New Stores, reflecting the lower pace of openings in 2023, greater efficiency in unit implementation, and lower capex per store
- **+7% y/y** of Investment in Technology and Digital that reflect mainly innovation and UX

- **R\$15 MM** of Adjusted Net Income (-52% y/y), reflecting the increase in D&A, lower financial result in 3Q23 and the still negative effects from acquisitions
- **R\$3 MM** of net cash in 3Q23

¹ Includes CAPEX consolidation of acquired companies (Zee Dog and Petix)

3 Petz brand refresh



What is a Brand Refresh?

Strategic movement that involves updating a brand in a subtle way to ensure **longevity, growth and relevance** in the market, without completely changing its visual identity or positioning.

Brand refresh

The logo for PETZ, featuring the word "PETZ" in a bold, blue, sans-serif font. The letters are stylized, with the 'P' and 'T' having a slightly rounded, blocky appearance. The 'E' and 'Z' are also bold and blue.

Tudo que seu pet precisa

It represents the Company's progress in **consolidating its ecosystem** of products and services, enhanced by recent acquisitions.

This process was based both on the **evolution** of the **pet owners-pet relationship** and opportunities for **differentiation** and **innovation** in the face of competition (specialized and non-specialized)

Generation P

New generation of pet owners: people's relationships with their pets are undergoing transformation, becoming more intimate, deeper and acquiring an unprecedented degree of complexity



2 average number of pets per household

88%

consider the pet a member of the family

65% do not hesitate to spend money on their pets

% of pet owners show their affection through:

68% Different food or treats

48% New toys

41%

of pet owners bought or adopted a pet during the pandemic

R\$300

Average monthly spending on the pet, with bathing and vet appointments being the most important services

63%

consider themselves a pet parent

72%

show interest in the animal welfare cause

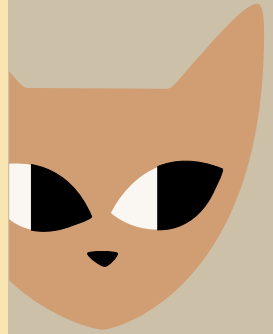
68% say that pets influence

leisure decisions, such as holiday destinations, weekend trips, choice of hotel and restaurant

75% declare that they

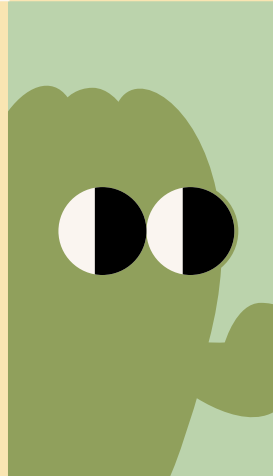
talk to their pets, and even pay tribute to the pet, such as a tattoo or a birthday party

Why a **Brand Refresh**



Create **competitive differences** that generate greater customer **loyalty and engagement**, resulting in an increase in share of wallet and frequency

How we **execute**



Visual identity and brand message

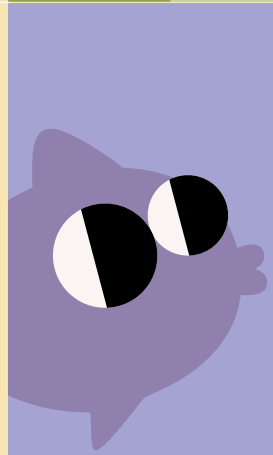
Brand positioning

Marketing strategy

Private label with exclusive products

Customer experience

What we **deliver**



- Adequacy of the brand to the greater digitalization of customers
- Slogan review

- Exploration of attributes focusing on the pet, owners and society
- Strengthening the emotional connection between pet-owner

- Communication beyond retail (ecosystem)
- Institutional TV and out-of-home campaign
- Use of new advertising channels

- Continuity of the private label strategy implemented since the beginning of the year

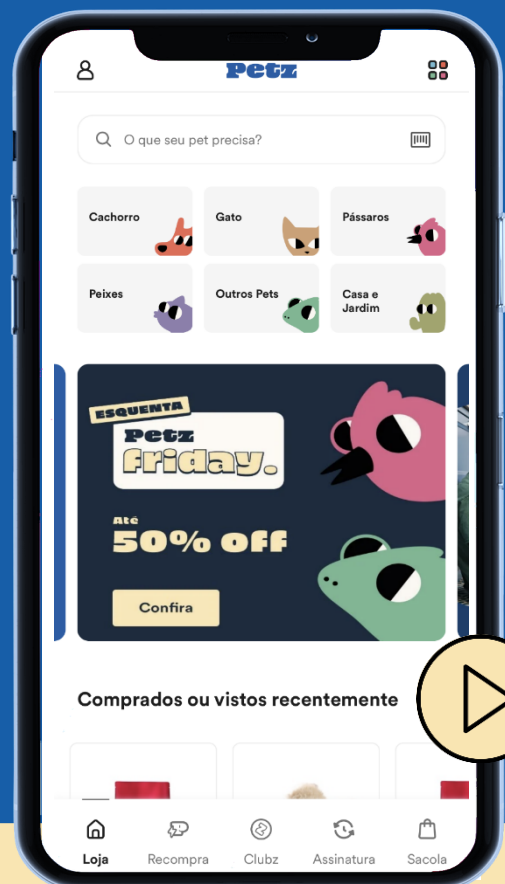
- New App: products and services unified in a single app
- New store experience

Marketing strategy

Reinforcement of Petz's communication as an ecosystem (not just retail), new advertising channels utilization, and promotion of in-store events.

We launched a **national institutional campaign** - including TV and out-of-home media.

New app

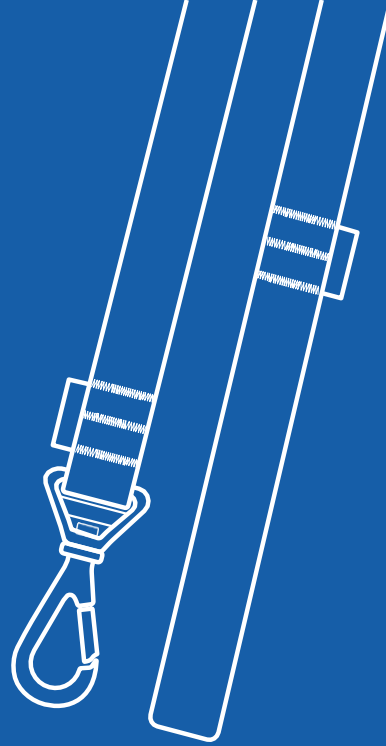


New products



Generation P campaign





Private label with exclusive products

Strengthening the private label portfolio, through different price points in different categories



**CANSEI
DE SER
GATO**

CDSG biodegradable cat litter

- Launch of the brand's first recurring consumer product in September
- 100% natural, biodegradable, made with corn and cassava and without chemical additives
- Results above expectations



Petz toys and plush

Private label Sep/23 highlights:

25% (+5 p.p. y/y)

Private label share in the categories we are present

80% (+20 p.p. y/y)

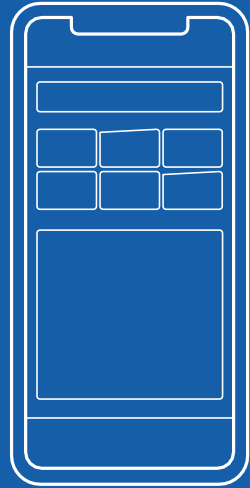
Dog pads
(Fresh, Super Secção, Petz, Zee.Dog)

8% (+2 p.p. y/y)

Share of private label in Petz Standalone product revenue

57% (+7 p.p. y/y)

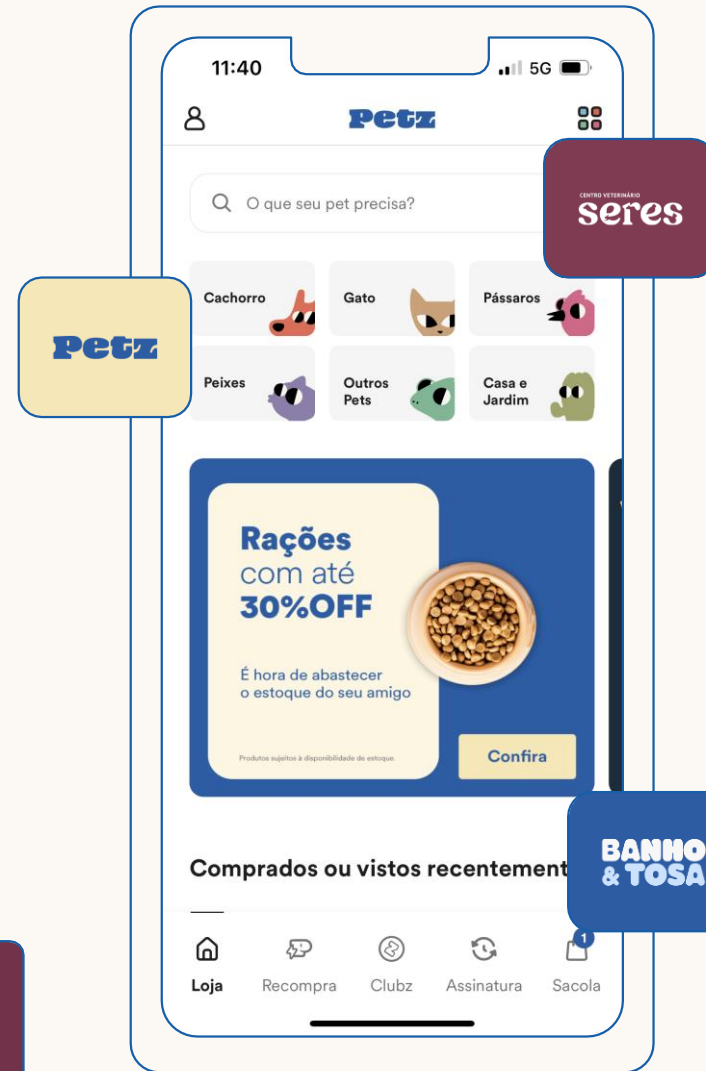
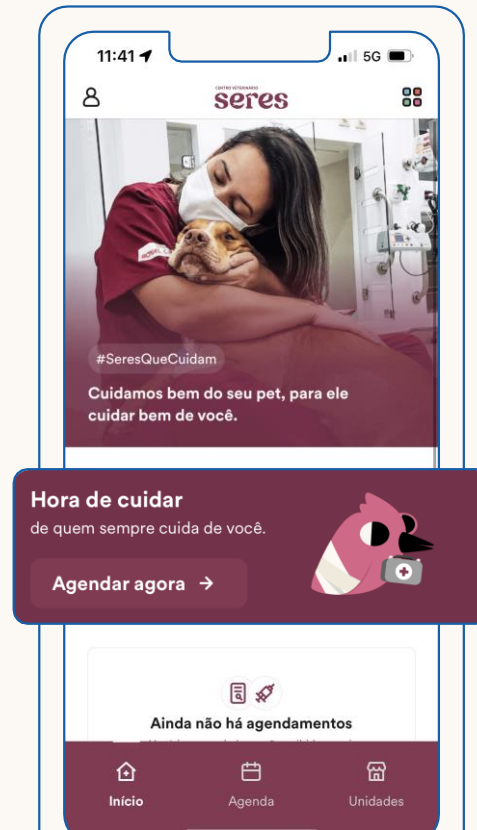
Collars, leash and harnesses
(Spike, Petz, Zee.Dog)



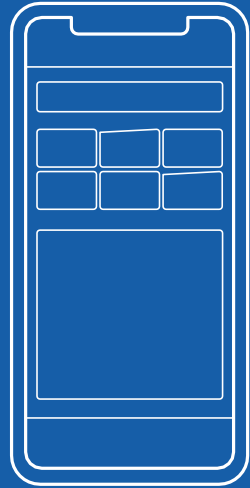
Customer experience

Everything your pet needs in one app

The main products, services and curation of the ecosystem were unified in a **single app**, making the **journey more fluid** and customer's life even easier.

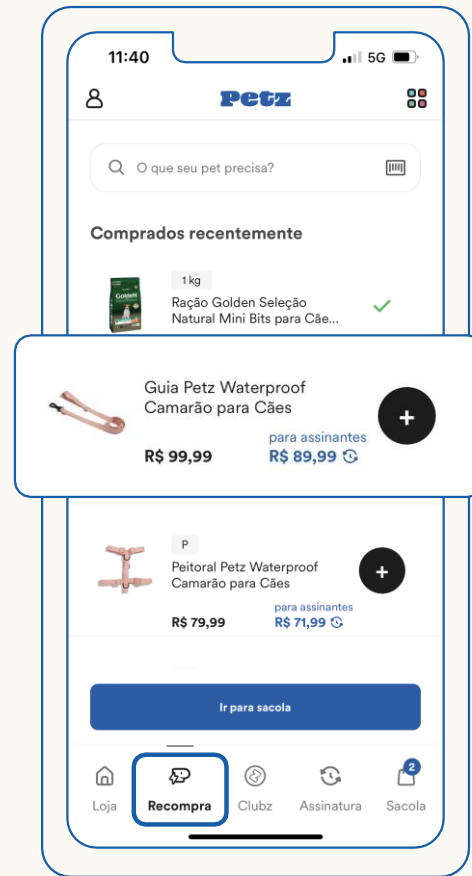



In the new app, customers can **schedule** vet appointment (Seres) and Grooming services.




Customer experience

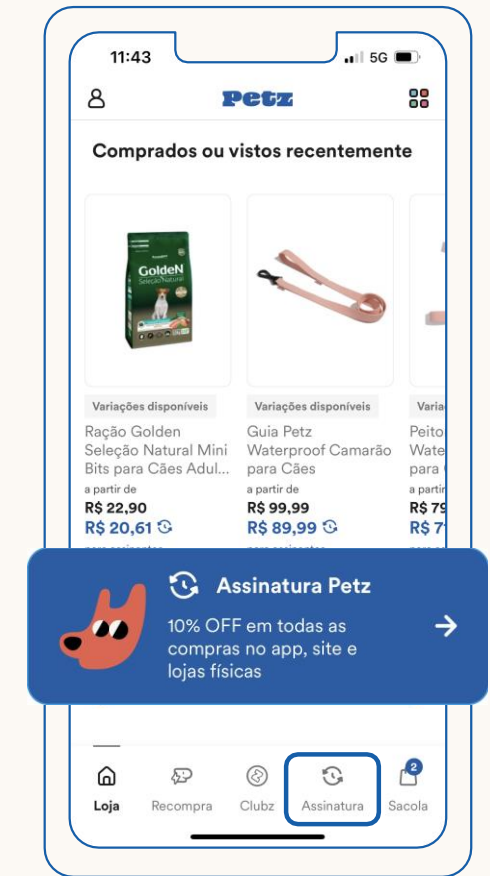
With a more modern design, customers can repurchase, with just 1 click, items recently purchased in the app, stores and website.




 **Buyback** of favorite products in only one click



 **Clubz**, the Petz Benefits Club, offers CashPetz (cashback), exclusive offers and challenges and coupons for benefits on products and services



 **Subscription** to recurring products



Q&A

GRUPO PETZ

PETZ
B3 LISTED NM

IBOVESPA B3

IBRX100 B3

IBRA B3

IGC B3

ITAG B3

IGCT B3

IGC-NM B3

ICON B3

SMLL B3

<https://ri.petz.com.br>
ri@petz.com.br

Aline Penna

VP of Finance, IR/ESG and New Business

Mirele Aragão

Consultant of IR/ESG

Carolina Igi

Consultant of IR/ESG

André Alves

Analyst of IR/ESG

Press Office

Tiago Lethbridge | tiago.lethbridge@novapr.com.br