2Q21 Earnings Release

Video Conference

August 10, 2021 (Tuesday)

10 a.m. Brasília | 9 a.m. EST | 2 p.m. GMT

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São Paulo, August 9, 2021 – Pet Center Comércio e Participações S.A. ("Petz" or "Company") (B3: PETZ3) announces its results of the second quarter of 2021 (2Q21).

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 2Q21 is available on pages 25-28.

Highlights | 2Q21

- **Stores**: 143 units[1], with 7 openings in 2Q21 (35 in the last 12 months)
- **Seres Veterinary Centers:** 120 units, 10 of them hospitals
- **Same-Store Sales (SSS)[2]:** +36.6% YoY in 2Q21 (+35.3% in 1H21)
- **Total Gross Revenue (TGR):** R$598.0 million; +57.5% YoY in 2Q21 (R$1,135.5 million in 1H21; +55.2% YoY)
- **Digital Gross Revenue:** R$181.2 million; +85.0% YoY; 30.3% of TGR; Omnichannel Ratio of 86.0% of Digital Gross Revenue in 2Q21 (R$336.8 million in 1H21; +133.4% YoY; 29.7% of TGR)
- **Gross Profit:** R$239.6 million; +54.5% YoY; 40.1% of TGR in 2Q21 (R$454.8 million in 1H21; +54.6% YoY; 40.1% of TGR)
- **Adjusted EBITDA[3]:** R$56.2 million; +50.3% YoY; 9.4% of TGR in 2Q21 (R$96.4 million in 1H21; +44.1% YoY; 8.5% of TGR)
- **Net Income[4]:** R$21.6 million; +109.0% YoY; 3.6% of TGR in 2Q21 (R$33.1 million in 1H21; +11.4% YoY; 2.9% of TGR)

B3: PETZ3
R$26.80
per share

393,991,198
Total Shares

R$10,559 million
Market Cap

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Data of August 9, 2021

Summary of Results and Indicators

R$ thousands, unless otherwise stated	2Q21	2Q20	Change	1H21	1H20	Change
Financial Results						
Total Gross Revenue	597,985	379,759	57.5%	1,135,501	731,607	55.2%
Same-Store-Sale (SSS)² % yoy	*36.6%*	*17.5%*	*19.1 p.p.*	*35.3%*	*16.8%*	*18.5 p.p.*
Digital Gross Revenue	181,243	97,945	85.0%	336,756	144,300	133.4%
Digital Penetration (% Total Gross Revenue)	*30.3%*	*25.8%*	4.5 p.p.	*29.7%*	*19.7%*	9.9 p.p.
Omnichannel Ratio (% Digital Gross Revenue)	*86.0%*	*76.2%*	9.8 p.p.	*85.4%*	*77.1%*	8.3 p.p.
Gross Profit	239,640	155,105	54.5%	454,819	294,247	54.6%
% Total Gross Revenue	*40.1%*	*40.8%*	*(0.8 p.p)*	*40.1%*	*40.2%*	*(0.2 p.p)*
Adjusted EBITDA³	56,216	37,412	50.3%	96,368	66,869	44.1%
% Total Gross Revenue	*9.4%*	*9.9%*	(0.5 p.p)	*8.5%*	*9.1%*	(0.7 p.p)
Net Income⁴	21,631	10,351	109.0%	33,115	29,720	11.4%
% Total Gross Revenue	*3.6%*	*2.7%*	*0.9 p.p.*	*2.9%*	*4.1%*	*-1.1 p.p.*
Operational Indicators						
Number of Stores	143	110	33¹	143	110	33¹
Store Openings	7	3	4	12	5	7
Footage (m²)	150,143	123,397	26,746	150,143	123,397	26,746
Presence in States	18	14	4	18	14	4
Seres Veterinary Centers	120	98	22	120	98	22

[1] Considers the closing of Convivas in Barra da Tijuca, Rio de Janeiro, and Granja Viana in Cotia, Greater São Paulo units. More information on the closure of these operations on page 9.
[2] *SSS* includes (i) sales of products and services by physical stores functioning for more than 12 months, (ii) omnichannel sales (Pick-up and Ship-from-Store) of physical stores operating for over 12 months and (iii) e-commerce sales (shipped from the DC directly to the customer).
[3] Excluding the effect of IFRS 16, non-recurring result (detailed on page 17), as well as non-cash expenses with write-off of property, plant and equipment and stock option plan ("*SOP*").
[4] Excludes the effect of IFRS 16 and hence should not be used as reference for calculating dividends.

Message from Management

Introduction

In the month when Petz completes 19 years of history, we announced to the market another very solid quarterly result, with acceleration in revenue and EBITDA growth. This quarter also stands out by transformational achievements for our journey, such as: (i) entry in Brazil's Northern region, which marks the presence of "Petz" and "Seres" brands in all five regions of the country; (ii) reaching a level of more than R$2 billion in revenue in the last 12 months, mainly reflecting the strengthening of the Digital channel, which for the first time surpassed 30% of total sales in a quarter; and (iii) the announcement of our first acquisition, Cansei de Ser Gato ("CDSG"), one of the largest digital platforms for exclusive content and products for cats in Brazil, which expands our ecosystem. On this last topic, after the end of the quarter, we concluded the acquisition of CDSG and announced the transaction with Zee.Dog, which represents a unique movement in the process of transformation and consolidation of the Pet sector. Finally, the following highlights on the People and Culture & ESG fronts: adhesion to MOVER (Movement for Racial Equity), 1 million copies sold in the history of the partnership between Adote Petz and Editora MOL, arrival of Mr. Irlau Machado Filho, CEO of Grupo NotreDame Intermédica (GNDI), to the Board of Directors, and 2021 LatAm Executive Team award from Institutional Investor.

Before proceeding to our comments on the second quarter results and detailing the topics mentioned above, a quick update on the COVID-19 pandemic and on the macroeconomic scenario in Brazil.

In recent months, we observed the gradual signs of normalization of the COVID-19 pandemic scenario, which reflects the progress of vaccination throughout Brazil. Although the start of 2021 was heavily impacted by a new wave of the pandemic across the country, restrictions on business hours of stores have been relaxed since early 2Q21, leading to increasing customer traffic at the stores. More than a year after the beginning of the pandemic, it is important to mention that our priority is, and always will be, the care for the health and safety of our employees and customers. We reiterate that strict discipline in preventive measures and physical distancing is still necessary, especially in a scenario in which other countries are facing new waves / variants of the coronavirus. Though the situation still evokes concern and caution, thanks to the progress of vaccination, forecasts currently point to a more stable scenario.

With regard to the macroeconomic situation, as we have been reporting since late last year, we continue to face a challenging scenario of inflationary pressure and instability throughout our supply chain. The increase in raw material prices continued the upward trend during the quarter, which has been impacting activities in diverse sectors of the economy. In this context, note that although we have been following our strategy of passing through price increases to consumers, especially in categories with less elastic demand, we remain watchful for potential opportunities to mitigate the inflationary pressure on our clients through promotional campaigns and more personalized incentives for clients. Additionally, we remain focus on profitability through commercial efficiencies with better planning of purchases with the industry.

Expansion of Store Network: Entry in Brazil's Northern region + new record of 35 store openings in the last 12 months

In the second quarter of 2021, we celebrated a major achievement for Petz: entry in Brazil's Northern region. With the opening of 1 store in Palmas (Tocantins) and 1 store in Manaus (Amazonas), we not only entered 2 new states (we are now present in 18 states) but Petz and Seres brands are now present in all 5 regions of the country. 7 stores were opened in 2Q21. In the last 12 months, we had 35 openings, a new record for a one-year period, which reinforces our capacity to roll out our network expansion plan. With that, we ended 2Q21 with 143 stores[1], consolidating our leadership in the sector as Brazil's largest Pet platform not only in terms of revenue, but also in number of units and geographic coverage.

We remain confident about continuing the investments in new stores while focusing on the geographic diversification of our network, given the consistent returns obtained in diverse cities and regions of the country. These results confirm our vision that there exist significant opportunities to be seized in the Brazilian Pet market. Apart from the strength and force of our brand, Petz offers a unique value proposition – high service levels and low service costs – in regions not necessarily served by our store format, which offers a comprehensive product assortment, an integrated omnichannel offering consisting of channels and segments, and a unique buying experience.

It is important to highlight that, so far, despite the delays in constructions and obtaining permits to open new stores in 1H21 due to the pandemic restrictions, our store opening plan for 2021 remains unchanged though inaugurations are concentrated in the second half of the year, given our strong backlog of new stores with commercial establishments already contracted.

Finally, with regard to "Seres" brand expansion strategy, we ended 2Q21 with 120 Veterinary Centers, 10 of them being hospitals. In addition, after 1H21, we inaugurated 2 new hospitals in July: 1 at the Fortaleza (Ceará) store, marking our entry in another state capital, bringing the total to 9 state capitals, and 1 at Santa Cecília store in São Paulo city.

Sales above R$2 billion in the last 12 months for the first time ever + New Digital record accounting for over 30% of total revenue in 2Q21

With Total Gross Revenue of almost R$600 million in 2Q21 (a quarterly record) and growth of 57% YoY, for the first time in the Company's history, we surpass R$2 billion in revenue in the last 12 months. This performance was mainly driven by the products segment, with emphasis on the Digital channel, and by the results of Seres Veterinary Center.

As already mentioned in previous quarters, the pandemic accelerated a few structural trends observed in recent years in the Pet sector, thus resulting in an expansion of our market. The number of pet owners has increased significantly, mainly due to the growing number of pet adoptions, a phenomenon observed in various countries around the world. The humanization of pets, i.e., pets being treated as family members, has intensified as well, driven by greater interaction and proximity between owners and their pets as a result of more time spent at home. As a result, we have observed a trend of greater care for the health of pets. Moreover, the pandemic further pushed the migration from physical retail to digital channels, accelerating the capture of market share of small pet shops, which account for around 50% of the market, according to Euromonitor.

In this context, Petz's Digital channel remains a major factor driving our results. The Company has continuously shown that it is prepared to capture the share of digital sales, reflecting mainly the integration and scalability of our omnichannel platform, in which all 143 stores operate as mini Distribution Centers. In 2Q21, Digital sales totaled R$181.2 million, a sharp increase of 85.0% YoY despite the strong comparison base in 2Q20, when the channel had already increased sales amid the pandemic scenario. It is thus worth highlighting that Digital sales accounted for more than 30.0% of Total Gross Revenue, once again a record in the Company's history, despite a scenario of greater normalization of business hours of physical stores and gradual relaxation

[1] Considers the closing of Convivas in Barra da Tijuca, Rio de Janeiro, and Granja Viana in Cotia, Greater São Paulo units. More information on the closure of these operations on page 9.

of physical distancing measures. All this reinforces our vision that there exists greater demand for differentiated experience and service levels. The Omnichannel Ratio reached a new record of 86.0% in 2Q21 (vs. 84.7% in 1Q21 and 76.2% in 2Q20), showing that Petz is increasingly consolidating its position as a benchmark in retail not just in Brazil but also worldwide, with regard to the omnichannel strategy.

Despite the sudden growth and paradigm shift in digital sales, our operation has proved to be scalable since we have consistently delivered excellence in service level and customer experience. In 2Q21, we delivered 96% of Ship-from-Store sales within one business day, maintaining the levels of previous quarters. Considering all deliveries of orders placed through the digital channels, including those shipped from the distribution centers, this percentage reached an impressive 84% in the period, higher than 1Q21. Finally, another highlight was the performance of the Express option, that is, deliveries within a few hours, which has been gaining prominence in sales. In 2Q21, more than half of Express sales were delivered within one hour, which is consistent with the service level of previous quarters.

The highlight among digital channels in the quarter is the App, which has retained its leadership of the Pet sector in number of downloads. Our App is the leader in the category on both Google Play and Apple Store. With sales growth of almost 180% YoY in 2Q21, the App already accounts for about 60% of digital sales.

Another important factor of our growth is "My Offerings" (*Minhas Ofertas*), a feature in our App developed in-house to personalize the offerings for each customer to ensure the efficient conversion of new sales, upsell, cross-sell and recurring purchases. Between January and June 2021, the share of customers with activated offerings increased almost 4x, which is important for pet owners in both digital channels and physical stores. Thanks to this greater interaction among channels, "My Offerings" also drives our NPS of physical stores, mainly in the form of: (i) improved customer perception of prices by accessing personalized offers in the palm of their hand; (ii) customer loyalty; and (iii) customer service, with better quality interaction between employees and pet owners at stores, besides reinforcing the Company's omnichannel culture.

Acceleration of the journey to build the best ecosystem worldwide in the Pet segment by 2025

Less than one year after the IPO, Petz announced in June - and closed it in July - its first acquisition: the partnership with Cansei de Ser Gato. The entry of CDSG in Petz's ecosystem, with its founders remaining dedicated to the operation, strengthens our leadership position in the Pet segment with a platform specializing in cats, a category that has been registering significant growth rates.

CDSG's key contributions to Petz ecosystem are: (i) content production and curation, as well as greater interaction with the followers in "non purchasing" moments; (ii) design of exclusive products for the cat categories, which have a high potential for differentiation and are still lacking in assortment; and (iii) qualified audience, increasing engagement and flow to all channels and segments of the Company.

As Brazil's largest Pet platform, Petz aims to leverage the solutions and exclusive products offered by CDSG through its omnichannel strategy and enhance the creative and innovation capacity of the founders by providing the necessary support to the core activities of the operation.

Early in August, Petz announced its partnership with Zee.Dog, the world's most disruptive Pet platform. We believe that the transaction represents a unique movement of transformation and consolidation in the Pet market. No other company in the sector is as complementary in terms of competences to the Petz ecosystem as Zee.Dog is.

The association broadens Petz' horizons, bringing new growth avenues through Zee.Dog's expertise in branding and lifestyle, exclusive product development, sourcing and technology, in addition to the distribution network for small pet shops (littleBs) in Brazil and for the international pet market. With its presence in over 45 countries, Zee.Dog enhances our global prospects for new business and potential strategic alliances in other continents. On the other hand, Petz adds the largest and most integrated pet ecosystem with the presence of 143 stores in 18 States in all five regions of Brazil, an Omnichannel benchmark platform in the world and a team focused on execution and operational performance. The combined company consolidates (i) absolute leadership in the Brazilian Pet segment, (ii) a leading digital platform and (iii) the largest express delivery player in its category, through the combination with Zee.Now. With the Transaction, Petz and Zee.Dog join forces with the mission to create the best Pet ecosystem in the world.

We thus move forward with the Petz Solution strategy aimed at creating a comprehensive, reliable and integrated ecosystem of solutions designed to meet with excellence the needs of pets and their owners. Our strategic thinking remains oriented to bringing to our platform people, technologies or business models that can add competencies that complement ours, while always preserving what these entrepreneurs most genuinely have: the capacity to create and innovate.

People and Culture & ESG

Regarding People & Culture & ESG, during the quarter we joined MOVER (*Movimento pela Equidade Racial*) – Movement for Racial Equity, composed of more than 45 signatory companies from different industries, that have undertaken a public commitment to create 10 thousand new positions of leadership for black professionals and training of 3 million people by 2030, to combat racism and achieve racial equity in the country. We intend to actively participate in reducing racial inequality in Brazil by bringing more black leaders to companies, as well as creating more jobs and providing professional training.

The partnership between Adote Petz and Editora MOL, the world's largest social publisher, which raises funds from items sold on our platforms to NGOs focused on animal protection, continues to yield very special results. During 2Q21, we reached the expressive mark of more than 1 million copies sold - which includes books, calendars and albums - since the beginning of the partnership in 2017. In this second quarter, another sales success is worth mentioning: the double book “Seu Cão é Não Doido e Seu Gato é Não Doido”, which sold out the first edition with 150,000 books, representing more than the three biggest bookstore bestsellers in Brazil combined[2].

In July, we announced the first change in our Board of Directors in this new phase as a listed company. After the resignation of Piero Minardi, Head of Warburg Pincus in Brazil, Irlau Machado Filho was elected to the Board, which has now more independent members. Currently, Mr. Irlau is the CEO of Grupo NotreDame Intermédica (GNDI). We believe Mr. Irlau Machado Filho, who has recognized experience in operations, people management, finance and strategy and who built a solid career in the health segment, brings expertise that will guide us towards a future that is more innovative and committed to the idea of building an ecosystem. We take this opportunity to immensely thank Mr. Piero for his contributions and dedication throughout the period in which he held his position.

Finally, in less than a year since the IPO, we received an important recognition for our work with investors and analysts. The 2021 LatAm Executive Team awards, organized by the renowned ranking of Institutional Investor, honored Petz in the Small Caps category in the Latin American Retail sector. The Company ranked 1st for our Investor Relations Program and Team, and won the best CEO (Sergio Zimerman), best CFO (Diogo Bassi) and best Investor Relations professional (Matheus Nascimento) categories in the region. Additionally, we were awarded in important categories, placing 1st for Crisis Management - COVID-19 and 2nd for ESG Disclosure. We take this opportunity to thank all investors and analysts for their trust and recognition, which

[2] Publishnews table, which considers sales in the 18 largest bookstore chains in the country in 2021.

reinforces our conviction that we are on the right path and which motivates us to be a benchmark in transparent and consistent communication with the market.

2Q21 Earnings Release

Petz continues to grow above expectations, spearheaded by Digital sales. Our performance once again demonstrates not only the resilience of the Pet sector but also the Company's unremitting ability to leverage and seize opportunities despite a scenario of uncertainties and fierce competition in recent quarters. We continue to invest efficiently to expand our market share, given our consistent and healthy Lifetime Value / Customer Acquisition Cost (LTV/CAC) levels.

In 2Q21, we delivered, for the fourth consecutive quarter, a growth above 50%, with Total Gross Revenue reaching 57.5% YoY, which represents an acceleration in relation to the performance observed in 1Q21 (+52.8% YoY), despite a challenging scenario caused by the pandemic and a strong comparison base (+36.2% YoY in 2Q20). Same-Store Sales (SSS) grew 36.6% in the period. This revenue growth reflects the strong performance of Products (+56.5% YoY), driven by the 85.0% YoY growth in Digital sales during the period, which stood at R$181.2 million and, for the first time, accounting for more than 30% of Total Gross Revenue. The Omnichannel Ratio was 86.0% (vs. 84.7% in 1Q21 and 76.2% in 2Q20), reaching a new record for the Company and a benchmark in retail not just in Brazil but also worldwide. Moreover, veterinary services under "Seres" brand registered a sharp growth of around 50% YoY.

Gross margin was 40.1% in 2Q21, a slight reduction from 2Q20 (40.8%), mainly reflecting the higher share of Digital sales - whose margins are healthy but lower than offered by the physical channel - but also a lower share of products in the sales mix compared to services, with the impact of the growth of the Food category within products. It is worth mentioning that this margin performance was in line with 1Q21 (40.0%), even with the increase in Digital and acceleration in inflation.

Adjusted EBITDA grew significantly by 50.3% YoY in 2Q21, with Gross Margin of 9.4% (vs. 9.9% in 2Q20), which reduction mainly due to (i) higher investments for customer acquisition, due to the greater participation of Digital; (ii) pressure on freight and packaging expenses, driven by Digital, the latter of which was also impacted by inflation; and (iii) increase in transportation expenses, given the greater geographic diversification of the store network. In addition to these factors, it is worth remembering that 54% of the stores in our network have not yet completed their third year of operation (with 25% still in their first year), that is, they have not yet reached their expected revenue and profitability potential. Finally, it is important to mention that this margin level represents an expansion of 1.9 p.p. compared to the 7.5% margin in 1Q21.

In 1H21, Total Gross Revenue came to R$1,135.5 million (+55.2% YoY), reflecting the strong performance of Products (+55.8% YoY) and a significant increase in Digital sales (+133.4% YoY). SSS grew 35.3%. Gross margin came to 40.1%, in line with 1H20, while Adjusted EBITDA margin corresponded to 8.5% of Total Gross Revenue (-0.7 p.p. YoY).

For 2021, we remain focused on growth and market share gains, and will seek to maintain healthy profitability levels despite the challenges and uncertainties resulting from inflationary pressure and the macroeconomic scenario. As we have done during these last months, with the entry into the North of Brazil and the expansion of the ecosystem with the acquisitions of CDSG and Zee.Dog, we will remain focused and working intensively to: (i) expand our national presence; (ii) digitize the customer experience and our operations; (iii) expand the offering of exclusive products under Grupo Petz brands; (iv) offer innovative solutions; and (v) consolidate "Seres" brand as a reference in the veterinary services segment.

With the M&A front making progress, integrating these assets is one of the top priorities on our agenda. We reinforce our commitment to maintaining business within our governance standards, at the same time as we will seek to leverage strategic and synergy drivers to create value for our shareholders. As mentioned before, our strategic thinking is oriented to bringing to the platform entrepreneurs, technologies or business models that can add complementary competencies to ours.

It is by increasingly strengthening these business verticals and intensely prospecting global opportunities that we will move forward in a sustainable manner, always striving to achieve the Company's new strategic vision: "To be recognized worldwide as the best ecosystem in the Pet sector by 2025."

THE MANAGEMENT

Store Network and Seres Veterinary Centers

In the second quarter of 2021, we celebrated a major achievement for Petz: entry in Brazil's Northern region. With the opening of 1 store in Palmas (Tocantins) and 1 store in Manaus (Amazonas), we not only entered 2 new states (we are now present in 18 states) but Petz and Seres brands are now present in all 5 regions of the country. 7 stores were opened in 2Q21. Of the other 5 stores inaugurated, 2 are in new cities: Caraguatatuba (São Paulo) and Serra (Espírito Santo), 2 in the city of São Paulo and 1 in Rio de Janeiro. In the last 12 months, we had 35 openings, a new record for a one-year period, which reinforces our capacity to roll out our network expansion plan.

We remain confident about continuing the investments in new stores while focusing on the geographic diversification of our network, given the consistent returns obtained in diverse cities and regions of the country. These results confirm our vision that there exist significant opportunities to be seized in the Brazilian Pet market. Apart from the strength and force of our brand, Petz offers a unique value proposition – high service levels and low service costs – in regions not necessarily served by our store format, which offers a comprehensive product assortment, an integrated omnichannel offering consisting of channels and segments, and a unique buying experience. At the end of 2Q21, 60% of our units were located in the state of São Paulo and 40% in other states (vs. 64% and 36% in 2Q20, respectively).

Note that we closed down two stores for the first time in the Company's history: Convivas in Barra da Tijuca, Rio de Janeiro, and Granja Viana in Cotia, São Paulo. In the case of Convivas, the store was relocated at the request of the property owner, with negotiations in an advanced stage to sign an agreement for a new location close to the previous store. For the time being, pet owners in the region will be served by the Barra Américas and Ayrton Senna units. In the case of Granja Viana, we decided to close the store in order to optimize the store portfolio, given that, since 4Q20, Petz has been operating another bigger unit in Cotia, which has a much more robust deployment (providing a better customer experience and store productivity), in addition to being located less than 1 km from the old unit.

With that, we ended 2Q21 with 143 stores in 18 states, consolidating our leadership in the sector as Brazil's largest Pet platform not only in terms of revenue, but also in number of units and geographic coverage.

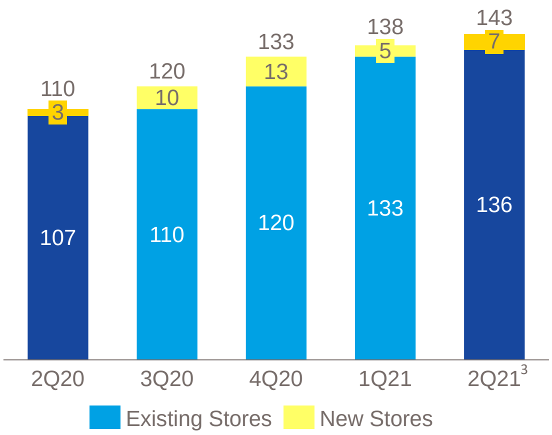
It is important to highlight that, so far, despite the delays in constructions and obtaining permits to open new stores in 1H21 due to the pandemic restrictions, our store opening plan for 2021 remains unchanged though inaugurations are concentrated in the second half of the year, given our strong backlog of new stores with commercial establishments already contracted.

Note that 54% of the stores have yet to complete three years of operation (with 25% still in their first year), that is, they have not yet achieved their full revenue and profitability potential.

Finally, with regard to "Seres" brand expansion strategy, we ended 2Q21 with 120 Veterinary Centers, 10 of them being hospitals. In addition, after 1H21, we inaugurated 2 new hospitals in July: 1 at the Fortaleza (Ceará) store, marking our entry in another state capital, bringing the total to 9 state capitals, and 1 at Santa Cecília store in São Paulo city.

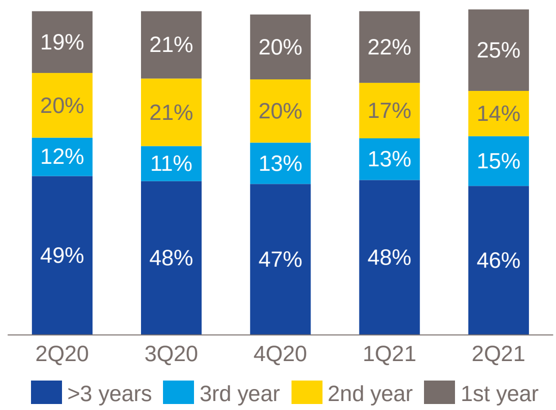
Number of Stores

Existing Stores, Openings



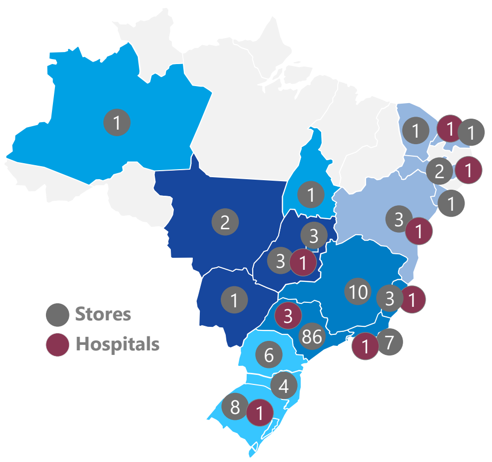
Distribution by Age

Distribution by Age



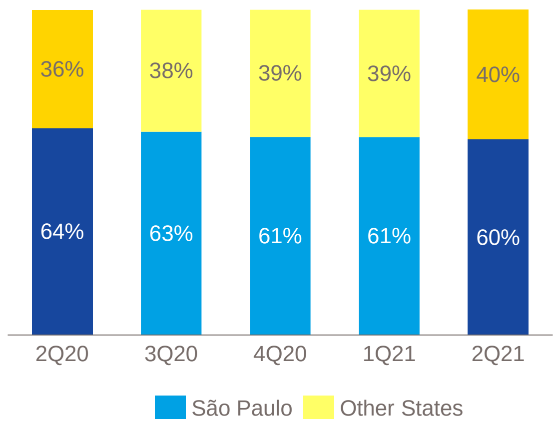
Geographic Footprint

Number of stores and hospitals by state



Store mix in São Paulo and Other States

% of total stores



Total Gross Revenue

R$ thousands, unless otherwise stated	2Q21	2Q20	Change	1H21	1H20	Change
Total Gross Revenues	**597,985**	**379,759**	**57.5%**	**1,135,501**	**731,607**	**55.2%**
Products	**571,146**	**365,011**	**56.5%**	**1,082,803**	**694,909**	**55.8%**
Physical Stores	389,903	267,066	46.0%	746,047	550,609	35.5%
Digital	181,243	97,945	85.0%	336,756	144,300	133.4%
Services & Others	**26,839**	**14,748**	**82.0%**	**52,698**	**36,698**	**43.6%**

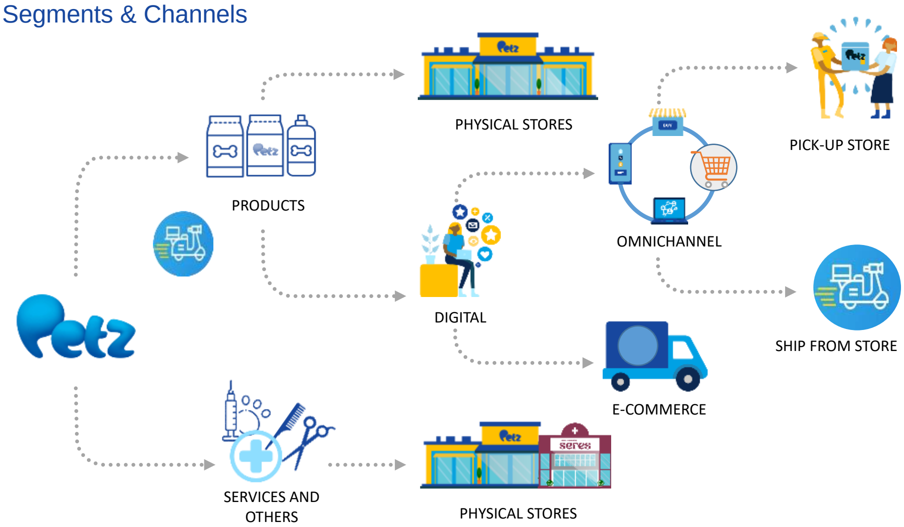
Petz is a platform of specialty solutions focusing on the Pet sector. Through its comprehensive omnichannel strategy that integrates not only its physical and digital channels, but also the products and services segments,

[3] Considers the closing of Convivas in Barra da Tijuca, Rio de Janeiro, and Granja Viana in Cotia, Greater São Paulo units. More information on the closure of these operations on page 9.

it complements the personal shopping experience and differentiated customer service offered at physical stores with the convenience and speed of digital channels.

As such, the Company's Total Gross Revenue includes the sales of products and services at physical stores and those originated through digital channels, which include omnichannel sales (Pick-up and Ship-from-Store) and e-commerce (products shipped directly to customers from our distribution center).

Petz Segments & Channels



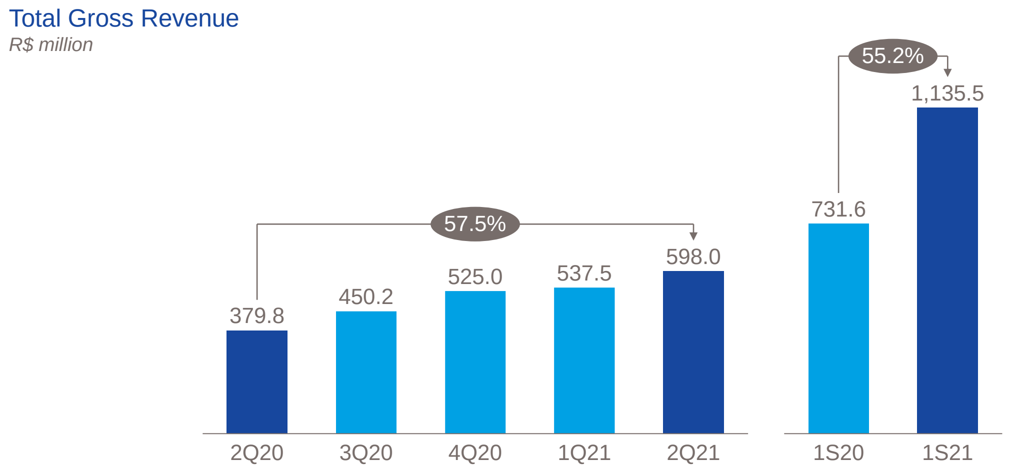
In 2Q21, Total Gross Revenue came to R$598.0 million, up 57.5% YoY, accelerating when compared to 1Q21 (+52.8% YoY), despite the still challenging macroeconomic scenario in the retail and Brazil due to the pandemic. Also we note that the year-over-year comparison base was solid (+36.2% YoY in 2Q20), given that sales had already accelerated in May and June 2020, which more than offset the weaker comparison base of April, since many customers advanced their purchases in March out of fear of product shortages caused by the level of uncertainty brought on by the pandemic.

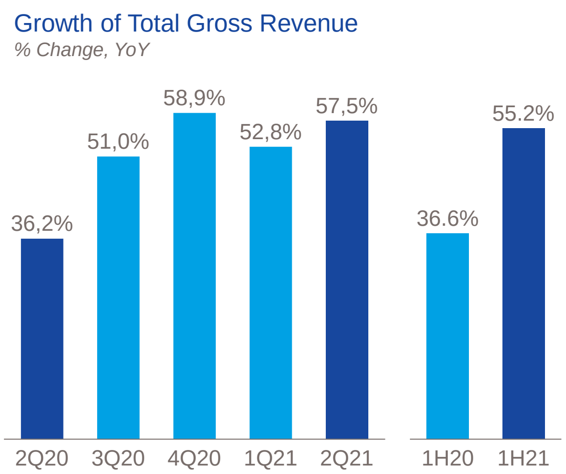
Total sales in 2Q21 were driven by products (+56.5% YoY), notably the increase in sales from digital channels, which grew 85.0% from 2Q20 to reach R$181.2 million in the period. In addition, we note that this strong performance was over a comparison base, which was already impacted by higher Digital penetration due to the pandemic during the whole quarter. Digital sales accounted for 30.3% of Total Gross Revenue (vs. 28.9% in 1Q21 and 25.8% in 2Q20), once again a record in the Company's history, reaching more than 30% for the first time during a quarter. Product sales at physical stores also performed strongly in the quarter, totaling R$389.9 million, increasing 46.0% from 2Q20, accelerating from the 25.6% growth in 1Q21, due to the weak comparison base in 2Q20 on account of the pandemic. This remarkable sales growth in both the digital channels and physical stores was mainly driven by structural changes in the Pet sector, as explained in previous quarters, the expansion of the store network and the customer base, as well as price increases passed on to customers due to inflationary pressure across the supply chain.

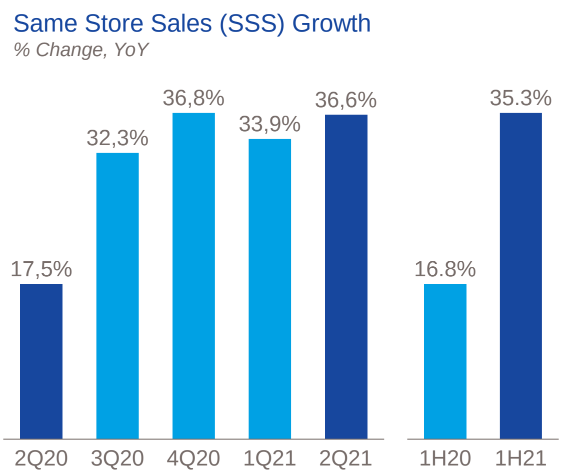
The Services & Others segment grew 82.0% YoY, explained by the weak comparison base in 2Q20, when the network of Grooming Centers was temporarily closed due to the COVID-19 pandemic. In the first half of 2021, despite the initiatives to improve productivity and customer experience in this segment, the resumption of activities has been gradual, given the restriction on functioning caused by new waves of the COVID-19 pandemic, which left pet owners more fearful about performing these procedures outside home. In a survey of the customers, most intend to take their pets to Grooming Centers as soon as the scenario returns to normal, which leaves us more confident about the recovery of operations in these centers.

On the other hand, the Seres Veterinary Center continues to register significant growth of around 50% YoY in 2Q21, driven by the maturation of veterinary hospitals and clinics, inauguration of new units and greater care by owners of the health of their pets, which also contributed to the strong performance of older units.

We ended 1H21 with Total Gross Revenue of R$1,135.5 million, an increase of 55.2% from the same period the previous year. This growth reflects the performance of Products (+55.8% YoY), with substantial growth in Digital (+133.4% YoY), which totaled R$336.8 million in the period (29.7% of Total Gross Revenue). The Services & Others segment grew 43.6% YoY, reflecting the strong performance of veterinary services, which increased by over 50%, as well as Grooming Centers, as mentioned above.





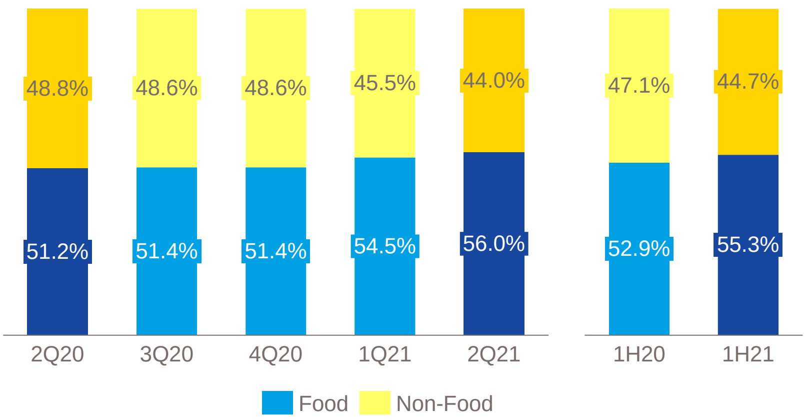


Same-Store Sales (SSS) increased 36.6% YoY in 2Q21, reflecting yet another strong performance and an acceleration vs. to 1Q21 (+33.9%), resulting from the ramp-up of store network expansion, the performance of units with more than three years of operation, as well as the price increase passed on to consumers due to inflation. It is worth highlighting the excellent performance by stores located outside São Paulo, as well as market share gains in both physical and digital channels.

In 1H21, SSS grew 35.3% YoY, a significant acceleration vs. 1H20 (+16.8% YoY).

Finally, note that these numbers consider sales of stores in shopping malls and the network of Grooming Centers, whose performance was the most affected by the pandemic, as mentioned in previous releases.

Gross Revenue from Products
% by category

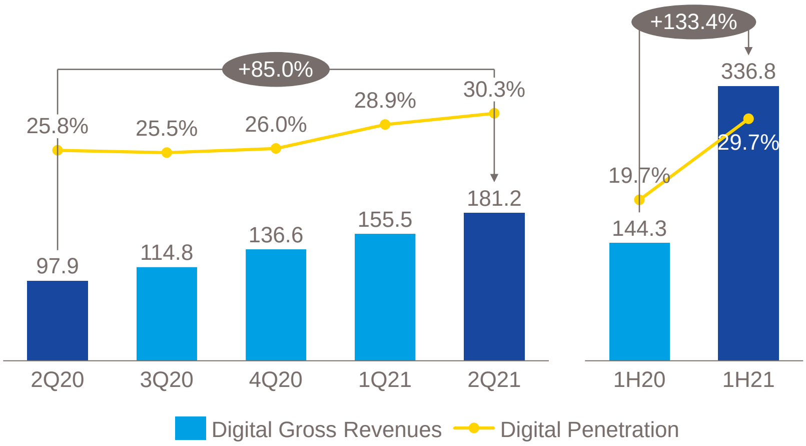


Gross Revenue from the Food category grew 71.0% YoY, accounting for 56.0% of product revenue in 2Q21, an increase of 4.8 p.p. in relation to 2Q20. This change in the Food and Non-Food product mix was mainly due to: (i) the higher penetration of the Digital channel in the Company's sales, which has a higher share of Food; (ii) inflation, since elasticity of demand in the Food segment is lower, enabling higher price adjustments compared to the Non-Food segment; and (iii) the comparison base in 2Q20, which was affected by greater interaction between pets and their owners, and the performance of other categories such as aquariums, gardening and pool accessories at the start of the pandemic.

In 1H21, the Food category accounted for 55.3% of product revenue, increasing 2.4 p.p. in relation to 1H20.

Digital Performance

Digital Gross Revenue and Digital Penetration
R$ million, % Total Gross Revenue



Digital sales came to R$181.2 million in 2Q21, up 85.0% YoY. In addition, we note that this strong performance was over a comparison base, which was already impacted by higher digital penetration due to the pandemic during the whole quarter. As such, Digital penetration 1Q21 reached a new record of 30.3% of total revenue, reaching more than 30% for the first time during a quarter. This performance represents an improvement on the 28.9% growth in 1Q21 and 25.8% in 2Q20, the first complete quarter after the start of the pandemic, reflecting the rapid growth in sales through digital channels.

Even though, as from 2Q20, Digital penetration has had a base more comparable, sales through digital channels continue to grow above expectations. Nevertheless, the strength and scalability of our platform and the sustainable business model focused on Customer Experience are capable of maintaining healthy profitability levels for the Company and a high service level for pet owners.

The highlight among digital channels in the quarter is the App, which has retained its leadership of the Pet sector in number of downloads. Our App is the leader in the category on both Google Play and Apple Store. With sales growth of almost 180% YoY in 2Q21, the App already accounts for about 60% of digital sales.

Another important factor of our growth is "My Offerings" (*Minhas Ofertas*), a feature in our App developed in-house to personalize the offerings for each customer to ensure the efficient conversion of new sales, upsell, cross-sell and recurring purchases. Between January and June 2021, the share of customers with activated offerings increased almost 4x, which is important for pet owners in both digital channels and physical stores. Thanks to this greater interaction among channels, "My Offerings" also drives our NPS of physical stores, mainly in the form of: (i) improved customer perception of prices by accessing personalized offers in the palm of their hand; (ii) customer loyalty; and (iii) customer service, with better quality interaction between employees and pet owners at stores, besides reinforcing the Company's omnichannel culture.

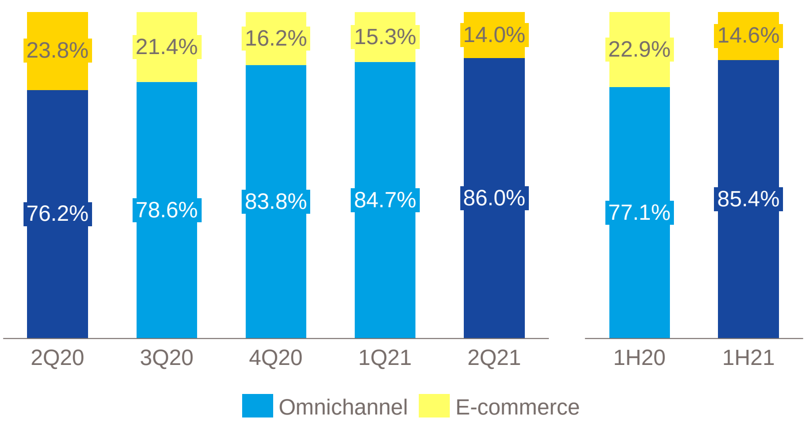
The Company's Subscription Program is another successful initiative, which ended June 2021 with a subscriber base that accounts for over 20% of Total Gross Revenue (vs. 19% in March 2021 and 15% in December 2020). The acceleration of the Subscription Program continues to contribute positively to driving customer loyalty and reducing our churn rate, thus increasing purchase recurrence and volume, besides boosting sales of products and services in the physical channel.

During the coming months, we will continue to invest in the Digital segment and on integration among channels, with the focus on (i) User Experience (UX) and User Interface (UI); (ii) digitalization of services, such as booking appointments at the Grooming Center through the app; (iii) new payment methods; and (iv) Costumer Experience, improving user interaction with our digital products, such as customer service via WhatsApp. These improvements are some of the initiatives in our pipeline that will further increase our conversion, retention and purchase frequency rates and drive cross-selling opportunities among segments and channels.

In 1H21, Petz's sales revenue from digital channels was R$336.8 million (+133.4 % YoY), reflecting Digital penetration of 29.7% of total sales revenue (vs 19.7% in 1H21).

Omnichannel Ratio and E-commerce Share

% of Digital Gross Revenue



In 2Q21, Gross Revenue from the omnichannel platform, which includes Pick-up and Ship-from-Store sales, grew 260.3% YoY, with an Omnichannel Ratio of 86.0% (vs. 84.7% in 1Q21 and 76.2% in 2Q20), a new record for the Company and a benchmark in the Brazilian and global retail segments.

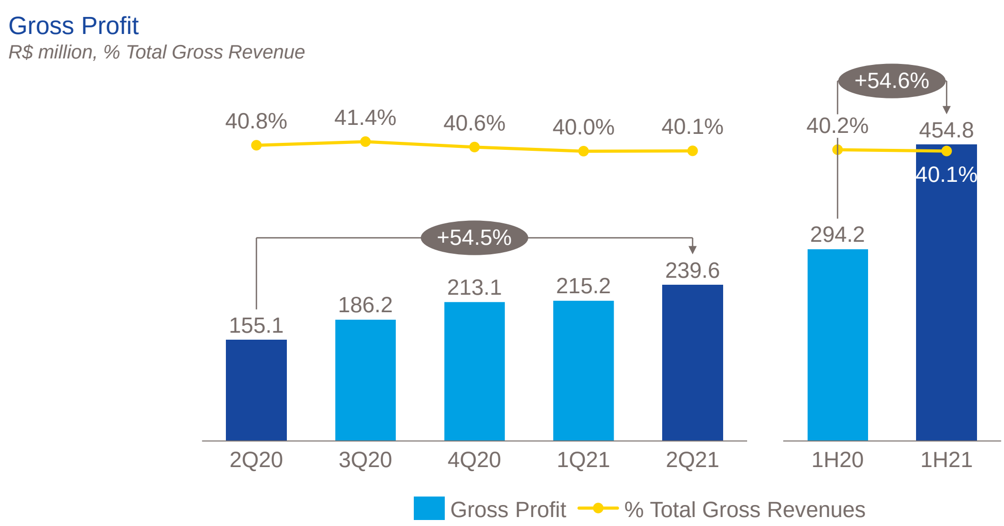
Despite the sudden growth and paradigm shift in digital sales, our operation has proved to be scalable since we have consistently delivered excellence in service level and customer experience. In 2Q21, we delivered 96% of Ship-from-Store sales within one business day, maintaining the levels of previous quarters. Considering all deliveries of orders placed through the digital channels, including those shipped from the distribution centers, this percentage reached an impressive 84% in the period, higher than 1Q21. Finally, another highlight was the performance of the Express option, that is, deliveries within a few hours, which has been gaining prominence in sales. In 2Q21, more than half of Express sales were delivered within one hour, which is consistent with the service level of previous quarters.

Gross Profit

Gross Profit in 2Q21 was R$239.6 million, up 54.5% YoY. Gross margin was 40.1% of Total Gross Revenue in 2Q21, down 40.8% from 2Q20, chiefly reflecting the increase in the share of Digital sales, whose margins are healthy but are lower than the physical channel, and lower share of products in sales mix compared to services, also a impact from the higher Food penetration into the products sales. Finally, it is worth mentioning that the inflationary pressure scenario since 4Q20 has negatively impacted margins at this first moment due to the mismatch between price adjustment and transfer to the final consumer in the digital channel, where price comparison is almost perfect. Note that this margin performance was in line with 1Q21 (40.0%). In the QoQ comparison, the higher share of products in the sales mix when compared to services was more than enough to offset the increase in Digital Penetration in sales and the higher Food mix.

Even facing, over the past few months, promotional campaigns from market players involving discounts, freight and other benefits, we managed to maintain the growth level above 50% and still invest efficiently in customer acquisition, maintaining satisfactory levels of profitability. Our LTV/CAC remains at healthy levels despite the increased penetration of sales made to Subscribers.

In 1H21, gross margin was 40.1%, in line with 1H20, due to the same reasons explained above.

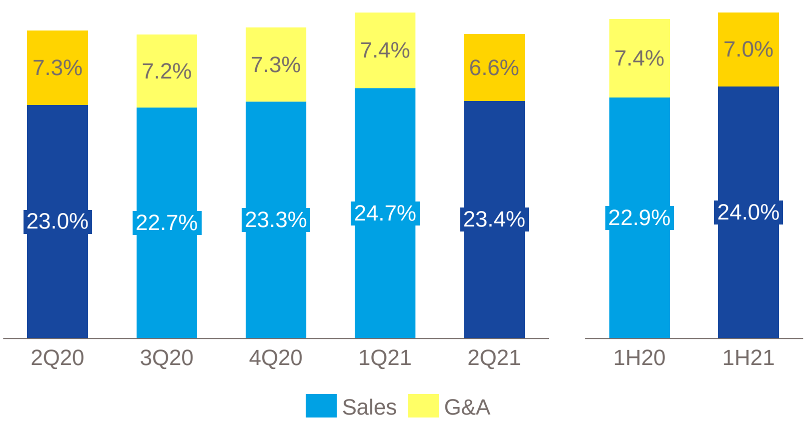


Operating Expenses

Operating Expenses totaled R$183.4 million in 2Q21 (+55.9% YoY), corresponding to 30.7% of Gross Revenue, 0.3 p.p. lower than in 2Q20, reflecting the operating leverage driven by the strong growth in sales and, thus, the dilution of General & Administrative (G&A) expenses.

R$ thousands, unless otherwise stated	2Q21	2Q20	Change	1H21	1H20	Change
Selling, General and Administrative Expenses (SG&A)	**179,315**	**115,056**	**55.9%**	**351,822**	**222,257**	**58.3%**
% Total Gross Revenue	***30.0%***	***30.3%***	***(0.3 p.p.)***	***31.0%***	***30.4%***	***0.6 p.p.***
Selling Expenses	139,863	87,277	60.3%	272,371	167,796	62.3%
% Total Gross Revenue	*23.4%*	*23.0%*	*0.4 p.p.*	*24.0%*	*22.9%*	*1.1 p.p.*
General & Administrative Expenses	39,452	27,779	42.0%	79,451	54,461	45.9%
% Total Gross Revenue	*6.6%*	*7.3%*	*(0.7 p.p)*	*7.0%*	*7.4%*	*(0.4 p.p)*
Others Operating Expenses	**4,109**	**2,636**	55.9%	**6,629**	**5,122**	29.4%
% Total Gross Revenue	***0.7%***	***0.7%***	***(0.0 p.p)***	***0.6%***	***0.7%***	***(0.1 p.p)***
Total Operating Expenses	**183,424**	**117,692**	**55.9%**	**358,452**	**227,378**	**57.6%**
% Total Gross Revenue	***30.7%***	***31.0%***	***(0.3 p.p.)***	***31.6%***	***31.1%***	***0.5 p.p.***

Selling, General & Administrative Expenses (SG&A)
% of Total Gross Revenue



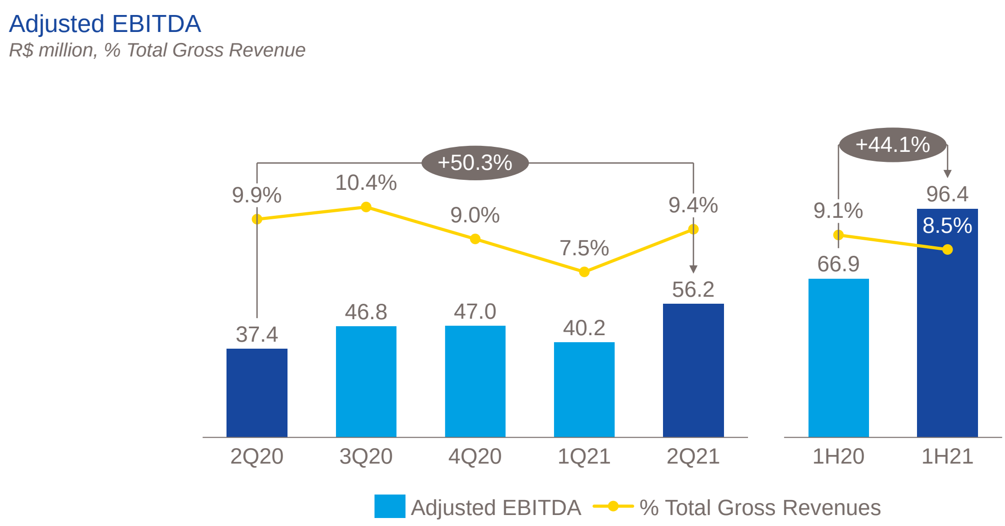
Selling Expenses amounted to R$139.9 million in 2Q21, 60.3% higher than in 2Q20, representing 23.4% of Total Gross Revenue (vs. 23.0% in 2Q20). This performance was mainly due to: (i) higher investments for customer acquisition, due to the greater participation of Digital; (ii) pressure on freight and packaging expenses, driven by Digital, the latter of which was also impacted by inflation; and (iii) increase in transportation expenses, given the greater geographic diversification of the store network. In addition to these factors, it is worth remembering that 54% of the stores in our network have not yet completed their third year of operation (with 25% still in their first year), that is, they have not yet reached their expected revenue and profitability potential.

General and Administrative Expenses totaled R$39.5 million in 2Q21, 42.0% higher than in 2Q20, corresponding to 6.6% of Total Gross Revenue (vs. 7.3% in 2Q20). This performance is primarily attributed to a higher operating leverage resulting from strong sales in the quarter, as well as dilution of fixed expenses, in line with trends observed in recent years. The dilution more than offset the higher expenses with storage, reflecting a supply chain under higher pressure, as well as investments in ongoing corporate initiatives

(Technology, new projects for *Petz Solution* and Seres) and additional costs associated with being a listed company.

In 1H21, Operating Expenses amounted to R$358.5 million, increasing +57.6% YoY and corresponding to 31.6% of total sales revenue (+0.5 p.p. YoY).

Adjusted EBITDA



Adjusted EBITDA came to R$56.2 million in 2Q21, up 50.3% from 2Q20. Adjusted EBITDA margin in the quarter corresponded to 9.4% of Total Gross Revenue, decreasing 0.5 p.p. from 2Q20, reflecting the above effects, but expanding 1.9 p.p. from the 7.5% margin in 1Q21.

In 1H21, Adjusted EBITDA was R$96.4 million, up 44.1% YoY, with margin of 8.5% (-0.7 p.p. YoY).

Adjusted EBITDA Reconciliation

R$ thousands, unless otherwise stated	2Q21	2Q20	Change	1H21	1H20	Change
Net Income	**21,631**	**10,351**	**109.0%**	**33,115**	**29,720**	**11.4%**
(-) Income Tax & Social Contribution	9,653	5,681	69.9%	15,696	15,856	(1.0%)
(-) Depreciation & Amortization	20,398	14,579	39.9%	39,446	28,080	40.5%
(-) Financial Results	3,867	5,717	(32.4%)	7,735	4,600	68.2%
EBITDA	**55,550**	**36,328**	**52.9%**	**95,993**	**78,256**	**22.7%**
(-) Stock Option Plan (SOP)	32	50	(36.0%)	64	100	(36.0%)
(-) Write-off of PP&E	667	34	1861.8%	845	34	2385.3%
(-) Non-recurring results	(33)	1,000	n.r.	(534)	(11,521)	(95.4%)
(-) Non-recurring income	(2,999)	-	n.r.	(5,597)	(12,521)	(55.3%)
(-) Non-recurring expenses	2,966	1,000	196.6%	5,063	1,000	406.3%
Adjusted EBITDA	**56,216**	**37,412**	**50.3%**	**96,368**	**66,869**	**44.1%**
Adjusted EBITDA /Total Gross Revenues	*9.4%*	*9.9%*	*(0.5 p.p)*	*8.5%*	*9.1%*	*(0.7 p.p)*

In 2Q21, the Non-Recurring Result mainly refers to (i) PIS/COFINS credit income on expenses related to previous years, net of expenses with tax advice related to these credits, almost fully offset by (ii) Non-recurring expenses related to to tax divergences from previous years. Non-Recurring Expenses in 2Q20 refer to the donation of R$1 million to help fight COVID-19.

In the half-year comparison, in addition to the effects mentioned above, in 1Q21 we had Non-Recurring Expenses related to the hiring of strategic consulting focused on Customer Analytics and Non-recurring Revenues in 1Q20 related to tax credits due to the exclusion of ICMS from the PIS/COFINS calculation basis.

Depreciation and Amortization, Financial Result and Income Tax/Social Contribution

Depreciation & Amortization expenses in 2Q21 totaled R$20.4 million, representing a growth of 39.9% YoY vs. R$14.6 million in the same period of the previous year. The evolution is explained by the investments made by the Company in recent years, mainly in the expansion of the chain, whose most stores have been operating for less than three years.

Financial Result in 2Q21 totaled -R$3.9 million, compared to -R$5.7 million recorded in 2Q20, a change of -0.9 p.p. when referring to Total Gross Revenue for the periods, explained by (i) lower Financial Expenses in 2Q21 vs. 2Q20 due to higher gross indebtedness in 2020, and (ii) higher Financial Revenue in 2Q21 vs. 2Q20 due to the raising of primary funds in the IPO in mid-September 2020.

In 1H21, Financial Result was -R$7.7 million, an increase of 68.2% YoY, mainly explained by the monetary adjustment of non-recurring tax credits recognized in 1Q20 in the amount of R$6.2 million.

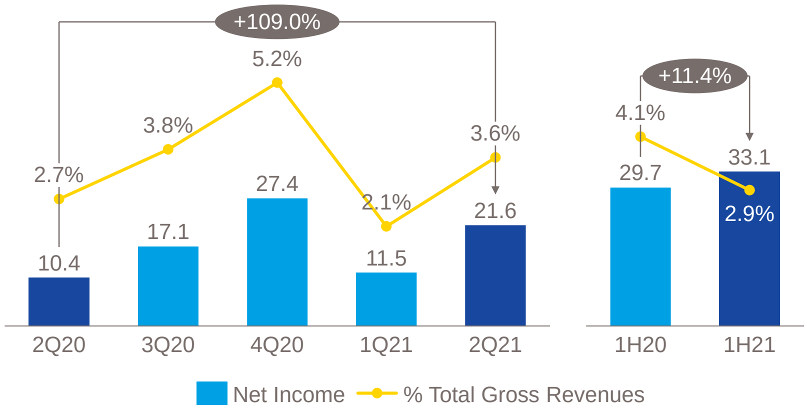
Income Tax and Social Contribution expenses totaled R$9.7 million in 2Q21 (30.9% of the effective rate) vs. R$5.7 million in the same period last year (35.4% effective rate), mainly impacted by interest on equity declared on June 25, 2021 in the gross amount of R$5.0 million. In 1H21, IRPJ and CSLL expenses totaled R$15.7 million, a decrease of 1.0% YoY.

Net Income

Net Income in 2Q21 totaled R$21.6 million vs. R$10.4 million registered in the same period of the previous year, an increase of 109.0%, mainly explained by the evolution of the operating result. In addition, Net Income was also benefited by the tax gain related to interest on equity in the gross amount of R$5.0 million.

In 1H21, Net Income was R$33.1 million, an increase of 11.4% y/y, representing 2.9% of Total Gross Revenue (-1.1 p.p.). The YoY variation as a percentage of Total Gross Revenue is mainly explained by the non-recurring effects that impacted the comparison base in the first quarter of 2021. Excluding these non-recurring effects, the YoY variation as a percentage of Total Gross Revenue would be +0.3 p.p. and the increase in Net Income would be 72.5%. These effects include the non-recurring result of R$534 thousand in 1H21 and R$11.5 million in 1H20, already explained in the Adjusted EBITDA section, in addition to the monetary adjustment amount of R$6.2 million in 1H20 (on the principal amount of PIS/COFINS credits of R$12.5 million referring to the exclusion of ICMS from the calculation basis), accounted for in the Financial Income line, and R$1.7 million referring to the tax gain on Income Tax and Social Contribution related to interest on equity declared in 1H21. Finally, it is important to mention that to calculate this adjustment, the exclusion of these effects is carried out considering the rate of 34%.

Net Income
R$ million, % Total Gross Revenue



Adjusted Cash Flow[4]

Operating Cash Flow in 2Q21 totaled R$13.1 million vs. R$3.4 million in the same quarter of the previous year, mainly reflecting the evolution of the operating result, partially offset by the higher consumption in the cash cycle.

The Company consumed R$138.6 million in 2Q21, compared to R$2.9 million in 2Q20, mainly impacted by (i) higher investments, Loan and Financing payments and dividend payments in 2Q21 vs. 2Q20 and (ii) issue of the Company's Promissory Notes in 2Q20.

We generated R$12.0 million of Operating Cash Flow in 1H21, a decrease of 40.3% compared to 2020, a result explained by the higher consumption in the cash cycle, with the impact in Accoutns Receivables due to higher Digital Sales and inflation, in addition to the payment related to the PIS/COFINS exclusion process from the base calculation, which had an unfavorable decision for the Company, resulting in the disbursement of R$18.5 million in 1Q21 (without any impact on the 1H21 result). Despite this payment, the variation in Other Assets/Liabilities between 1Q21 and 1Q20 is only R$1.7 million; this is because in 1Q20 this line was negatively impacted by the recognition of non-recurring PIS/COFINS credits related to the exclusion of ICMS from the calculation basis (R$12.5 million of principal and R$6.2 million of monetary adjustment), but these amounts positively impacted net income in the non-recurring result and financial income lines.

The Company consumed R$221.1 million in 1H21, compared to a generation of R$112.5 million in 1H20, mainly explained by the consumption in Financing (higher payment of loans in 2021), partially offset by the capital increase by the stock option plan, and by higher investments (R$108.1 million vs. R$58.9 million in the previous year). Additionally, R$210.0 million in loans and financing were raised in 1H20, the main factor for the generation of R$112.5 million in the period.

[4] The Company understands that, for better representation of its Cash Flow, the effects of the capital structure on Operating Cash Flow should be disregarded and the income tax theoretical rate (34%) should be used on EBIT. For Cash Flow from Financing Activities, the effects of the capital structure and income tax on Financial Result are considered.

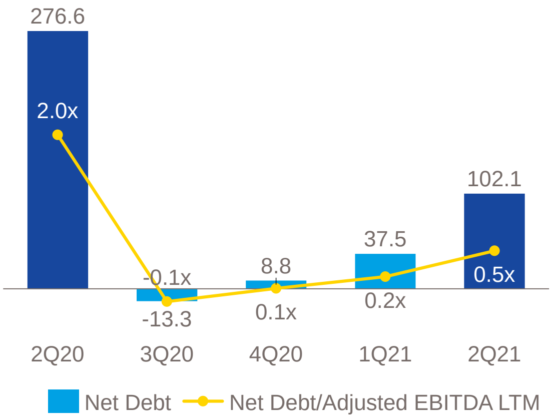
R$ thousands, unless otherwise stated	2Q21	2Q20	Change	1H21	1H20	Change
Adjusted EBITDA	**56,216**	**37,412**	**50.3%**	**96,368**	**66,869**	**44.1%**
Non-recurring Result	33	(1,000)	n.r.	534	11,521	(95.4%)
Income Tax (34% x EBIT)	(11,952)	(7,395)	61.6%	(19,226)	(17,060)	12.7%
Assets	**44,298**	**29,017**	**52.7%**	**77,676**	**61,330**	**26.7%**
Accounts Receivables	(22,494)	(9,380)	139.8%	(41,358)	(25,705)	60.9%
Inventory	(20,106)	(32,254)	(37.7%)	(49,178)	(36,462)	34.9%
Suppliers	9,750	12,544	(22.3%)	36,383	29,042	25.3%
Other Assets/Liabilities	1,698	3,432	(50.5%)	(11,527)	(8,094)	42.4%
Cash Flow from Operating Activities	**13,146**	**3,360**	**291.3%**	**11,996**	**20,111**	**(40.3%)**
Cash Flow from Investing Activities	**(61,314)**	**(27,404)**	**123.7%**	**(108,103)**	**(58,901)**	**83.5%**
Cash Flow from Financing Activities	**(90,411)**	**21,095**	**(528.6%)**	**(125,008)**	**151,326**	**(182.6%)**
Borrowings and Financing	-	60,000	(100.0%)	-	210,000	(100.0%)
Repayment of borrowings and financing	(74,010)	(30,051)	146.3%	(129,019)	(48,671)	165.1%
Capital increase	-	-	-	21,791	-	n.r.
Dividends	(13,865)	(5,599)	147.6%	(13,865)	(5,599)	147.6%
Others	(2,536)	(3,255)	(22.1%)	(3,915)	(4,404)	(11.1%)
Free Cash Flow Generation	**(138,579)**	**(2,949)**	**4598.8%**	**(221,115)**	**112,536**	**(296.5%)**
Financial applications	12,063	-	n.r.	12,063	-	n.r.
Free Cash Flow, Net	**(126,516)**	**(2,949)**	**4189.7%**	**(209,052)**	**112,536**	**(285.8%)**

Debt

We ended the second quarter of 2021 with a Net Debt of R$102.1 million, reflecting a Gross Debt of R$369.1 million and Cash, Cash Equivalents and Financial Investments of R$267.0 million, which represents a level of indebtedness of 0.5x Net Debt/Adjusted EBITDA (Last 12 months), compared to 2.0x observed in the second quarter of 2020. This level reflects a healthy leverage, which makes us comfortable to continue investments in our expansion.

R$ thousands, unless otherwise stated	2Q21	2Q20	Change
Gross Debt	**369,065**	**558,446**	**(33.9%)**
Current Loans and Financing	223,860	192,357	16.4%
Noncurrent Loans and Financing	145,205	366,089	(60.3%)
Cash & Cash Equivalents and Financial Investments	**266,953**	**281,813**	**(5.3%)**
Cash & Cash Equivalents	234,705	281,813	(16.7%)
Financial applications	32,248	-	-
Net Debt	**102,112**	**276,633**	**(63.1%)**
Adjusted EBITDA (LTM)	190,247	141,262	34.7%
Net Debt/Adjusted EBITDA (LTM)	*0.5x*	*2.0x*	*(1.4x)*

Net Debt (Cash) and Leverage
R$ million, x



Investments

R$ thousands, unless otherwise stated	2Q21	2Q20	Change	1H21	1H20	Change
New Stores & Hospitals	38,672	14,839	160.6%	69,663	31,740	119.5%
Technology & Digital	12,662	6,180	104.9%	22,844	12,453	83.4%
Renovation, Maintenance & Others	9,605	2,701	255.6%	14,602	6,472	125.6%
Total Investments	**60,939**	**23,720**	**156.9%**	**107,109**	**50,665**	**111.4%**
Non-Cash Effect	375	3,684	(89.8%)	994	8,236	(87.9%)
Cash Flow from Fixed & Intangible Assets	**61,314**	**27,404**	**123.7%**	**108,103**	**58,901**	**83.5%**

Total Investments totaled R$60.9 million in 2Q21, an increase of 156.9% YoY. In line with our expansion strategy, R$38.7 million was invested in the construction of new stores and hospitals, an increase of 160.6% YoY, driven by higher store openings (7 openings in 2Q21 vs. 3 in 2Q20).

We invested R$12.7 million in Technology and Digital in 2Q21 (+104.9% YoY) with the objective of increasingly integrating channels and segments, improving the navigability and shopping experience of our customers, especially in applications, in addition to generating productivity gains for the Company. As mentioned earlier, improvements in the digital channel are some of the initiatives that can further promote our conversion rates, retention, purchase frequency and cross-selling opportunity between segments and channels.

Renovations, Maintenance and Others totaled R$9.6 million in 2Q21, an increase of 255.6% YoY, reflecting (i) restrictions imposed by the COVID-19 pandemic scenario in 2Q20, when we chose to carry out only renovations/emergency maintenance, which reduced the comparison basis, (ii) increase in our store network (143 stores in 2Q21 vs. 110 in 2Q20) and (iii) expansion of the distribution center.

In 1H21, Total Investments totaled R$107.1 million, an increase of 111.4% YoY.

Statement of Income

R$ thousands, unless otherwise stated	2Q21	2Q20	1H21	1H20
Gross Revenue from Products and Services	**597,985**	**379,759**	**1,135,501**	**731,607**
Taxes and other Deductions	(92,199)	(61,086)	(175,559)	(114,337)
Net Revenue from Products and Services	**505,786**	**318,673**	**959,942**	**617,270**
Cost of Goods Sold and Services Rendered	(266,146)	(163,568)	(505,123)	(323,023)
Gross Profit	**239,640**	**155,105**	**454,819**	**294,247**
Operating Revenue (Expenses)	**(183,424)**	**(117,692)**	**(358,452)**	**(227,378)**
Selling	(139,863)	(87,277)	(272,371)	(167,796)
General & Administrative	(39,452)	(27,779)	(79,451)	(54,461)
Other Operating Income (expenses), net	(4,109)	(2,636)	(6,629)	(5,122)
Adjusted EBITDA	**56,216**	**37,412**	**96,368**	**66,869**
Non-Recurring Results	33	(1,000)	534	11,521
Stock Option Plan	(32)	(50)	(64)	(100)
Write-off of Fixed Assets	(667)	(34)	(845)	(34)
Depreciation & Amortization	(20,398)	(14,579)	(39,446)	(28,080)
Operating Profit before Financial Income	**35,152**	**21,749**	**56,547**	**50,176**
Financial Results	**(3,867)**	**(5,717)**	**(7,735)**	**(4,600)**
Financial Income	2,798	2,188	5,213	9,871
Financial Expenses	(6,666)	(7,905)	(12,948)	(14,471)
Earnings before Income Tax and Social Contribution	**31,285**	**16,033**	**48,811**	**45,576**
Income Tax and Social Contribution	(9,653)	(5,681)	(15,696)	(15,856)
Net profit	**21,631**	**10,351**	**33,115**	**29,720**

Balance Sheet

R$ thousands, unless otherwise stated	2Q21	1Q21	4Q20	3Q20	2Q20
ASSETS					
Current Assets	**762,013**	**855,961**	**886,275**	**907,550**	**635,840**
Cash & Cash Equivalents	234,705	361,221	443,757	439,266	281,813
Financial applications	32,248	43,972	43,761	103,621	-
Accounts Receivable	202,221	180,092	160,675	137,935	122,183
Inventories	234,878	214,773	185,701	173,378	169,118
Recoverable Taxes and Contributions	39,986	38,369	41,722	40,630	45,547
Other Credits	17,975	17,534	10,659	12,720	17,179
Noncurrent Assets	**541,814**	**505,502**	**475,680**	**428,559**	**382,193**
Other Credits	4,932	3,843	2,884	2,584	1,817
Recoverable Taxes and Contributions	1,847	1,975	1,701	1,701	1,636
Deferred Income Tax and Social Contribution	5,686	10,143	8,432	7,307	5,761
Property, Plant and Equipment	460,286	427,204	405,761	365,200	325,948
Intangible Assets	69,063	62,337	56,902	51,767	47,031
Total Assets	**1,303,827**	**1,361,463**	**1,361,955**	**1,336,109**	**1,018,033**
LIABILITIES & SHAREHOLDERS' EQUITY					
Current Liabilities	**562,918**	**613,305**	**593,246**	**507,884**	**446,121**
Suppliers	231,040	221,677	195,675	170,766	151,570
Loans, Financing and Debentures	223,860	273,819	273,942	235,745	192,357
Payroll and Related Taxes	55,670	62,534	53,716	51,860	40,874
Taxes Payable	26,419	23,572	36,556	32,960	28,360
Dividends Payable	4,521	13,867	13,867	-	16,798
Other Payable	18,423	15,190	16,475	14,155	13,905
Loyalty Program	2,985	2,646	3,015	2,398	2,257
Non-current Liabilities	**146,536**	**170,448**	**224,305**	**296,397**	**368,777**
Loans, Financing and Debentures	145,205	168,901	222,403	293,813	366,089
Provisions for Civil and Labor Risks	1,331	1,547	1,902	2,584	2,688
Shareholders' Equity	**594,373**	**577,710**	**544,404**	**531,828**	**203,135**
Capital	409,041	409,041	387,250	387,250	50,515
Capital Reserves	54,639	54,639	54,639	54,639	79,818
Reserve for Options Granted	1,818	1,786	1,754	1,647	1,571
Special Goodwill Reserve	24,825	24,825	24,825	24,825	24,825
Profit Reserves	104,050	87,419	75,936	63,467	46,406
Total Liabilities and Shareholders' Equity	**1,303,827**	**1,361,463**	**1,361,955**	**1,336,109**	**1,018,033**

Cash Flow – Indirect Method

R$ thousands, unless otherwise stated	2Q21	2Q20	1H21	1H20
Cash Flow from Operating Activities	**10,610**	**105**	**8,081**	**15,707**
Operating Profit before income tax	31,285	16,033	48,811	45,576
Depreciation & Amortization	20,464	14,590	39,578	28,102
Allowance for Inventory Losses	1,553	614	4,196	389
Recognized options granted	32	50	64	100
Interest on Loans and Financing	5,387	7,216	10,309	12,704
PP&E Write-off	667	34	845	34
Loyalty Program	340	(161)	(29)	5
Provision for Civil and Labor Risks	2	209	(353)	530
Interest from Financial Applications	(338)	-	(549)	-
Depreciation & Amortization - Refund of Improvements	(66)	(11)	(132)	(22)
Working Capital Variation	**(48,716)**	**(38,469)**	**(94,659)**	**(71,711)**
ASSETS				
Accounts Receivables	(22,494)	(9,380)	(41,358)	(25,705)
Inventory	(21,659)	(32,868)	(53,374)	(36,851)
Recoverable Taxes and Contributions	(2,052)	6,317	626	(11,176)
Other Credits	(1,835)	428	(6,672)	(9,308)
LIABILITIES	-	-	-	-
Suppliers	9,750	12,544	36,383	29,042
Payroll and Related Taxes	(6,864)	(2,642)	1,954	4,754
Taxes Payable	2,346	4,502	(16,395)	7,519
Accounts Payable	3,069	(297)	1,835	3,337
Income Tax and Social Contribution Paid	(3,944)	(10,375)	(9,088)	(19,251)
Interest Paid on Borrowings and Financing	(5,033)	(6,698)	(8,570)	(14,072)
Cash flow from investing activities	**(49,251)**	**(27,404)**	**(96,040)**	**(58,901)**
Financial applications	12,063	-	12,063	-
Purchase of Property, Plant and Equipment	(61,314)	(27,404)	(108,103)	(58,901)
Cash Flow from Financing Activities	**(87,875)**	**24,350**	**(121,093)**	**155,730**
Borrowings and Financing	-	60,000	-	210,000
Repayment of borrowings and financing	(74,010)	(30,051)	(129,019)	(48,671)
Capital increase	-	-	21,791	-
Transaction costs of shares issuance	-	-	-	-
Dividends	(13,865)	(5,599)	(13,865)	(5,599)
Free Cash Flow, Net	**(126,516)**	**(2,949)**	**(209,052)**	**112,536**
Cash BoP	361,221	284,762	443,757	169,277
Cash EoP	234,705	281,813	234,705	281,813

Appendix I: IFRS 16 Impact – Statement of Income

R$ thousands, unless otherwise stated	2Q21		Change
	IAS 17	IFRS 16	
Gross Revenue from Products and Services	**597,985**	**597,985**	**-**
Taxes and other Deductions	(92,199)	(92,199)	-
Net Revenue from Products and Services	**505,786**	**505,786**	**-**
Cost of Goods Sold and Services Rendered	(266,146)	(266,146)	-
Gross Profit	**239,640**	**239,640**	**-**
Operating Revenue (Expenses)	**(204,488)**	**(196,722)**	**(7,766)**
Selling	(156,648)	(149,975)	(6,673)
General & Administrative	(43,065)	(41,938)	(1,127)
Other Operating Income (expenses), net	(4,774)	(4,809)	35
Operating Profit before Financial Income	**35,152**	**42,918**	**(7,766)**
Financial Results	**(3,867)**	**(16,748)**	**12,881**
Financial Income	2,798	2,798	-
Financial Expenses	(6,666)	(19,546)	12,880
Earnings before Income Tax and Social Contribution	**31,285**	**26,170**	**5,115**
Income Tax and Social Contribution	(9,653)	(7,915)	(1,738)
Net profit	**21,631**	**18,255**	**3,376**

Appendix II: EBITDA Reconciliation – Financial Statements vs. Adjusted EBITDA

R$ thousands, unless otherwise stated	2Q21	2Q20	1H21	1H20
Earnings Before Interest Tax (EBIT)	**42,918**	**25,014**	**70,817**	**57,482**
(+) Depreciation & Amortization	20,398	14,579	39,446	28,080
(+) Depreciation – Right of Use (CPC 06 (R2)/IFRS 16)	24,548	19,440	47,535	38,059
EBITDA	**87,864**	**59,033**	**157,798**	**123,621**
(+) Rental Expenses9	(32,097)	(22,705)	(61,588)	(45,365)
EBITDA	**55,767**	**36,328**	**96,210**	**78,256**
(-) Stock Option Plan (SOP)	32	50	64	100
(-) PP&E Write-off	667	34	845	34
(-) Right of use (CPC 06 (R2)/IFRS 16) Write-off	(217)	-	(217)	-
(-) Non-recurring results	**(33)**	**1,000**	**(534)**	**(11,521)**
(-) Non-recurring income	(2,999)	-	(5,597)	(12,521)
(-) Non-recurring expenses	2,966	1,000	5,063	1,000
Adjusted EBITDA	**56,216**	**37,412**	**96,368**	**66,869**

Appendix III: IFRS 16 Impact – Balance Sheet

R$ thousands, unless otherwise stated	2Q21 IAS 17	2Q21 IFRS 16	Change
ASSETS			
Current Assets	**762,013**	**762,013**	**-**
Cash & Cash Equivalents	234,705	234,705	-
Financial applications	32,248	32,248	-
Accounts Receivable	202,221	202,221	-
Inventories	234,878	234,878	-
Recoverable Taxes and Contributions	39,986	39,986	-
Other Credits	17,975	17,975	-
Noncurrent Assets	**541,814**	**1,172,401**	**(630,587)**
Other Credits - L	4,932	4,932	-
Recoverable Taxes and Contributions	1,847	1,847	-
Deferred Income Tax and Social Contribution	5,686	24,574	(18,888)
Property, Plant and Equipment	460,286	1,071,985	(611,699)
Intangible Assets	69,063	69,063	-
Total Assets	**1,303,827**	**1,934,414**	**(630,587)**
LIABILITIES & SHAREHOLDERS' EQUITY			
Current Liabilities	**562,918**	**631,265**	**(68,347)**
Suppliers	231,040	231,040	-
Loans, Financing and Debentures	223,860	223,860	-
Payroll and Related Taxes	55,670	55,670	-
Taxes Payable	26,419	26,419	-
Dividends Payable	4,521	4,521	-
Accounts Payable	18,423	6,184	12,239
Loyalty Program	2,985	2,985	-
Leasing Right of Use Payable (IFRS 16)	-	80,586	(80,586)
Non-current Liabilities	**146,536**	**745,443**	**(598,907)**
Loans, Financing and Debentures	145,205	145,205	-
Provisions for Civil and Labor Risks	1,331	1,331	-
Leasing Right of Use Payable (IFRS 16)	-	598,907	(598,907)
Shareholders' Equity	**594,373**	**557,706**	**36,667**
Capital	409,041	409,041	-
Capital Reserves	54,639	54,639	-
Reserve for Options Granted	1,818	1,818	-
Special Goodwill Reserve	24,825	24,825	-
Profit Reserves	104,050	67,383	36,667
Total Liabilities and Shareholders' Equity	**1,303,827**	**1,934,414**	**(630,587)**

Appendix IV: IFRS 16 Impact – Cash Flow

R$ thousands, unless otherwise stated	2Q21 IAS 17	2Q21 IFRS 16	Change
Cash Flow from Operating Activities	**10,610**	**37,251**	**(26,641)**
Profit Before Income Tax and Social Contribution	31,285	26,170	5,115
Depreciation & Amortization	20,464	20,464	-
Depreciation – Right of Use (CPC 06 (R2)/IFRS 16)	-	24,548	(24,548)
Interest Expenses – Right of use (CPC 06 (R2)/IFRS 16)	-	13,904	(13,904)
Allowance for Inventory Losses	1,553	1,553	-
Recognized options granted	32	32	-
Interest on Loans and Financing	5,387	5,387	-
PP&E Write-off	667	667	-
Right of use (CPC 06 (R2)/IFRS 16) Write-off	-	(217)	217
Loyalty Program	340	340	-
Provision for Civil and Labor Risks	2	2	-
Interest from Financial Applications	(338)	(338)	-
Depreciation & Amortization - Refund of Improvements	(66)	(66)	-
ASSETS			
Accounts Receivables	(22,494)	(22,494)	-
Inventory	(21,659)	(21,659)	-
Recoverable Taxes and Contributions	(2,052)	(2,052)	-
Other Credits	(1,835)	(1,835)	-
LIABILITIES			
Suppliers	9,750	9,750	-
Payroll and Related Taxes	(6,864)	(6,864)	-
Taxes Payable	2,346	2,346	-
Accounts Payable	3,069	1,836	1,233
Income Tax and Social Contribution Paid	(3,944)	(3,944)	-
Interest Paid on Borrowings and Financing	(5,033)	(5,033)	-
Interest Paid on Right of Use (CPC 06 (R2)/IFRS 16)	-	(5,246)	5,246
Cash flow from investing activities	**(49,251)**	**(49,251)**	**-**
Financial applications	12,063	12,063	-
Purchase of Property, Plant and Equipment	(61,314)	(61,314)	-
Cash Flow from Financing Activities	**(87,875)**	**(114,516)**	**26,641**
Debt Capitalization	-	-	-
Repayment of borrowings and financing	(74,010)	(74,010)	-
Capital increase	-	-	-
Transaction costs of shares issuance	-	-	-
Dividends	(13,865)	(13,865)	-
Payment of Right of Use (CPC 06 (R2)/IFRS 16)	-	(26,641)	26,641
Free Cash Flow, Net	**(126,516)**	**(126,516)**	**-**
Cash BoP	361,221	361,221	-
Cash EoP	234,705	234,705	-

Glossary

Operational Data

- **Same-Store Sales (SSS)** - SSS includes (i) sales of products and services by physical stores functioning for more than 12 months, (ii) omnichannel sales (Pick-up and Ship-from-Store) of physical stores operating for over 12 months and (iii) e-commerce sales (shipped from the DC directly to the customer).
- **Digital Gross Revenue** – Considers all sales made on the Petz website and mobile app, as well as sales through partner marketplaces and super apps.
- **Omnichannel Sales** – All Pick-up and Ship-from-Store sales.
- **Pick-up** – Sales made through the digital channel in which the customer chooses to pick up at physical stores.
- **Ship-from-Store** – Sales made through digital channels that are shipped to the customer's home from one of our physical stores.
- **Omnichannel Ratio** – This ratio considers Omnichannel Sales as a percentage of Digital Gross Revenue.
- **E-commerce Sales** – Include all sales shipped from our DC directly to the customer.
- **Food Category –** Includes pet products such as prescription pet food, super premium, premium, and standard pet food, wet food, snacks and more.
- **Non-Food Category** –Includes products such as accessories, hygiene, cleaning products, drugs, and 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**, **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, 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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