



A Work Project, presented as part of the requirements for the Award of a Master's degree in
Economics / Finance / Management from the Nova School of Business and Economics

Consulting Lab for Galp Energia: Boosting Galp's position in the Portuguese Electricity Market leveraging on its powerful Ecosystem

Fernando Tomás Araújo | 41057
Francisca Guedes Soares Vera | 29068
Margarida Fonseca Cano Sampaio | 29158
Pedro Correia de Sá | 41206

A Consulting lab carried out under the supervision of: Professor Constança Monteiro Casquinho

27-01-2021

Agenda

1 **Project Overview**

2 **Project Methodology**

3 **Situation Analysis**

4 **Concept Development & Testing**

5 **Recommendations**

6 **Implementation Plan:**
Communication & Distribution

7 **Financial Impact: P&L**

8 **Risks, Limitations and Further Research**



Project Overview



The Consulting Labs are real business projects designed to be solved by a team of students in a corporate environment, benefiting both the students and the company

OVERVIEW | The Consulting Field Labs are real business projects designed to be solved by a team of students in a corporate environment, benefiting both the students and the company. While students have the opportunity to work on a high-impact problem and apply theoretical concepts and learnings practically; the companies have access to a pool of young talented students, whose analytic skills, ideas, and open-minded thinking may help adapt to new market trends.

OBJECTIVE | The project's main goal was to boost Galp's position in the Portuguese Electricity Market through a new disruptive offer supported by the company's valuable ecosystem. During the past four months, Nova SBE's team has worked alongside Galp's team sharing and validating ideas that contributed to the development of the new value proposition.

NOVA SBE TEAM



Francisca
Vera



Margarida
Sampaio



Tomás
Araújo



Pedro
Sá

Advisor: Professor Constança Casquinho

GALP TEAM

- Dr. Luís Alexandre Silva
- Dr. Nuno Vaz Neto
- Dra. Isabel Pedrosa
- Dra. Joana Duarte
- Dra. Marisa Matias
- Dr. Pedro Casaca Santos
- Dra. Sofia Francisco
- Dra. Susana Quitério

The liberalisation and consequent dynamism of the electricity market in Portugal constitutes a growth opportunity for Galp

Situation: Energy Market Liberalization

2011 marked the beginning of the B2C energy market liberalization in Portugal. The liberalization established the conditions for the entry of new energy providers, creating market competition. This was supposed to lead to a reduction of energy prices and improve the quality of the provided services¹, as each consumer would be allowed to choose its supplier. Nowadays, the liberalized electricity market has 5.3M clients (representing 95% of the total consumption), while the natural gas market reached 1.3M clients (98% of the total consumption)². The market is expected to be liberalized by the 31st of December 2025.

Complication: Galp's Weak Brand Recognition and MS in the Electricity Market

EDP is the market leader in the Electricity market with 71% MS. Due to the fierce competition and undifferentiated service, Galp has not yet been able to consolidate its position in the Electricity market, showcased by its low brand recognition (37%)³ and MS (5.3%)², staying behind Iberdrola and Endesa.

Note: Market Share (MS)

Source: (1) European Commission, (2) ERSE (3) Galp

Main Project Questions

How can Galp grow its client base by taking MS from the incumbent?

What should be Galp's new value proposition, considering national and international best practices, market trends, and its ecosystem?

How can Galp position itself in the market as a disruptive and innovative player?

Which distribution and communication channels should Galp choose for each client type?

The project's main goal is to redefine the value proposition of Galp's gas & power services, launching a disruptive offer that integrates electricity, gas and fuel

Project Scope



PRIMARY GOAL

The main purpose of the Consulting Lab is to redefine **the value proposition of Galp's gas & power services**, with no material constraints, in order to grow in the electricity market.

PRODUCT & CHANNELS

The project focus is the **redesign of the product offer, distribution and communication channels**. Galp intends to reposition itself in the energy market with a **disruptive offer that is able to integrate all 3 energies**: electricity, gas and fuel, leveraging on its valuable ecosystem.

CUSTOMER

The customer target is the **B2C segment**.

MARKET

The project was focused on **Mainland Portugal**, as the dynamics, regulations and Galp's positioning differs in the autonomous regions.



Project Methodology



The project methodology is divided into three main stages: diagnosis, analysis and recommendations that led to the formulation of the new value proposition

	I. Diagnosis (4 weeks)	II. Analysis (7 weeks)	III. Recommendations (2 weeks)
Project Activities	<ul style="list-style-type: none"> General Environment Analysis (PESTLE) Understanding the Energy Industry Dynamics (Porter's 5 Forces Analysis) Competitive Environment analysis Analysis of Galp's product offer and electricity market positioning (SWOT) Benchmark - Study of national and international best practices in the energy and non-energy sectors Analysis of Galp's Internal data: <ul style="list-style-type: none"> Gas & Power Tracking (Consumer insights) New Integrated Offer 	<ul style="list-style-type: none"> Formulation of Value Proposition Underlying Strategic and Statistical Principles Design of Value Proposition Hypothesis Script development and conduction of 28 in-depth interviews Qualitative research analysis Reformulation of underlying Strategic and Statistical Principles (post market feedback from in-depth interviews) Survey development and quantitative research analysis <p><i>Methodology Studied in detail</i></p>	<ul style="list-style-type: none"> Evaluation and Selection of Value Proposition Hypothesis Development of New Value Proposition (Galp Energy & Galp Energy Fuel) Implementation Roadmap: communication and distribution channels, selling arguments Financial Impact Analysis – P&L construction <p><i>Methodology Studied in detail</i></p>
Deliverables	<ul style="list-style-type: none"> Kick-Off Document Benchmark Energy and Non-Energy Sectors (Subscription Model) Analysis of Galp's Gas & Power Tracking 	<ul style="list-style-type: none"> Qualitative and Quantitative Research Analysis 	<ul style="list-style-type: none"> Business Plan of New Value Proposition Implementation Roadmap Electricity Pricing Model Financial Impact of Value Proposition (P&L)

Table 1: Project Methodology

Note: [1] Project Timeline in Appendix 1

The research was designed using a mixed-method approach to understand the key issues with the hypothesis before using a survey to evaluate the market receptivity

The research was conducted following a deductive approach suggested by Robson (2002) and mixed-method-research, using qualitative and quantitative sequential data collection techniques¹. The interviews were conducted in the exploratory stage to understand the key issues before using a survey to collect explanatory data.

QUALITATIVE	<p>Data Comprehension & Key Themes Integration</p> <ul style="list-style-type: none"> Interviews conducted online and in-person; the answers pertinent to the research were transcribed and categorized following the script. On-going analysis and final overview allowed for the identification of key themes and patterns and integration of related data. 	<p>Pattern & Key Issue Analysis</p> <ul style="list-style-type: none"> Key themes and patterns were analysed to identify consumer personas in the electricity and fuel markets. Key issues in the tested hypothesis were identified for further exploration. 	<p>Drawing Conclusions</p> <ul style="list-style-type: none"> Internal brainstorming to solve key issues and identified customer pain points Reformulation of underlying Strategic and Statistical Principles Hypothesis reformulation to test in quantitative survey
	QUANTITATIVE	<p>Survey Design & Distribution</p> <ul style="list-style-type: none"> Incorporating the feedback from the qualitative interviews, the survey was designed to study market receptiveness to the value proposition hypothesis. The survey was distributed in social media and recurrent check-ups to the valid answers were made to insure representativeness. 	<p>Hypothesis Development</p> <ul style="list-style-type: none"> Analysis of key questions and hypothesis formulations about customer preferences. Cross sectional analysis was conducted using Stats IQ in Qualtrics, in order to identify patterns between different customer segments (energy providers and generations).

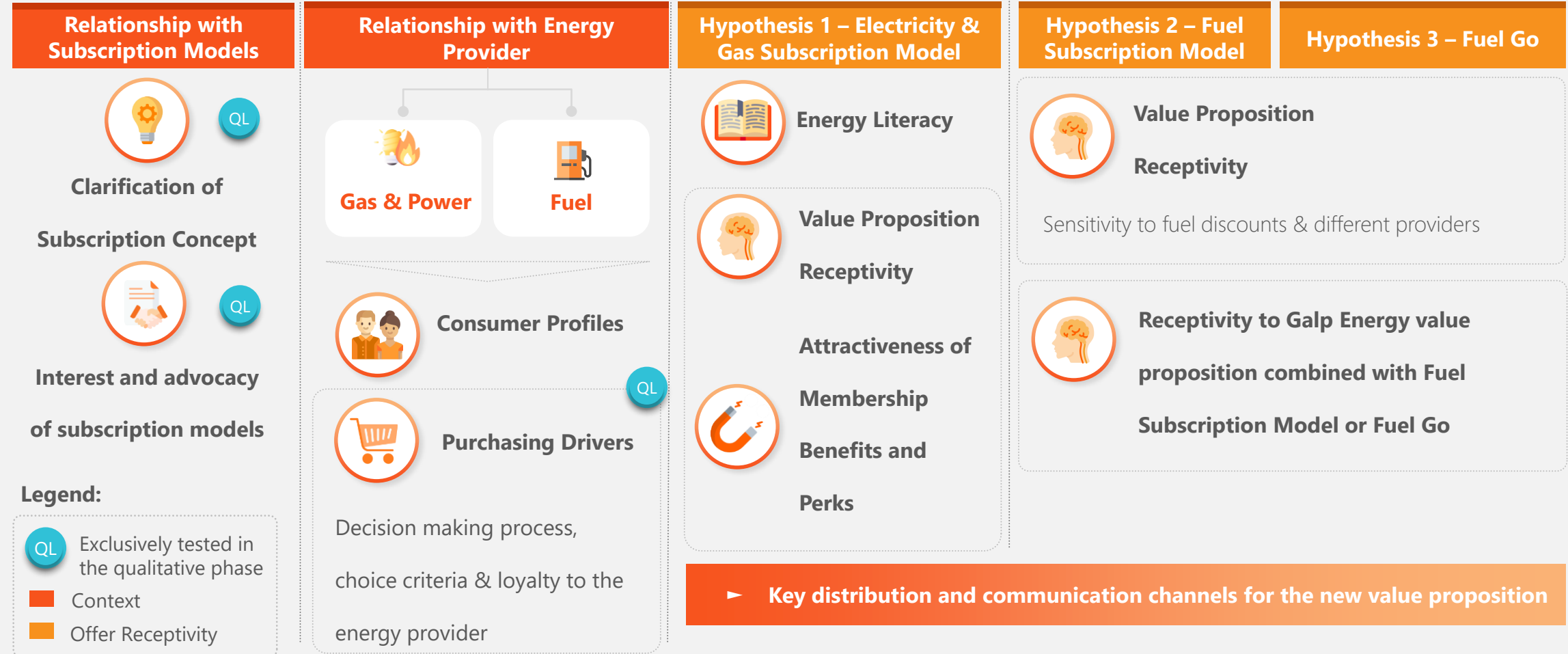
Table 2: Qualitative & Quantitative Data Collection Methodology

Note: [1] Literature Review can be found in Slide 13

Source: (1) Saunders, Lewis, & Thornhill (2007) – Research Methods for Business Students

The qualitative and quantitative data collection script was divided in 2 question sets: the context and the study of the value proposition receptivity

In-depth Interviews and Script Design



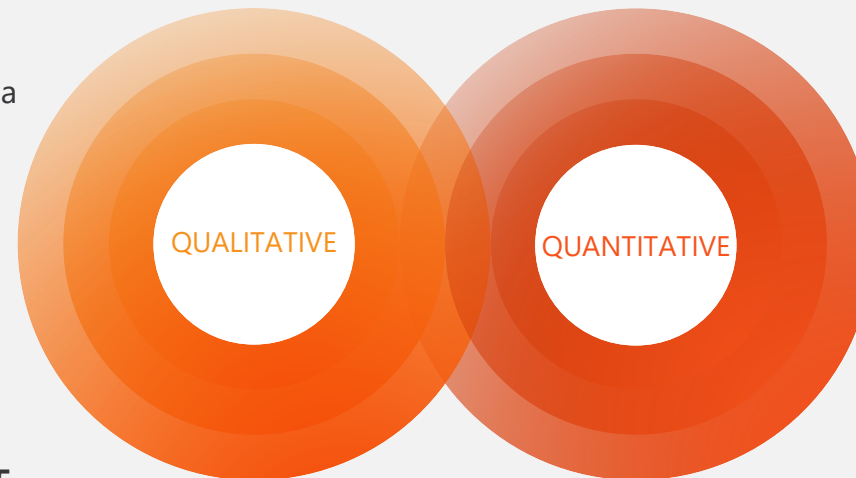
The research was conducted as an integrated analysis of the qualitative and quantitative data to understand the market receptivity to the outlined hypothesis

Sample Design

To develop and support the new value proposition 2 types of data was collected: qualitative, through in-depth interviews, and quantitative, with an online survey.

28 in-depth interviews (2nd to 11th of November 2020)

- 1 The team interviewed 28 household decision makers from **key energy providers**.
- 2 The sample size was determined following a time-accuracy trade-off, and interviewees chosen according to **selected criteria**¹.
- 3 A **script was developed** for the exploratory and open answer interviews.
- 4 On average, each interview took **about 45 minutes to complete**.



446 valid answers (13th to 27th of November 2020)

- 1 The survey was distributed online using **Core XM Qualtrics' platform**.
The survey analysis was conducted online on
- 2 **Qualtrics Stats IQ platform**, which access was supplied by Galp.
- 3 The survey was open for **15 days**, having a reach of 1609 people and **446 valid answers**.
- 4 The **survey target** were energy providers decision makers (79%) or influencers (21%).

The sample size was determined following a time-accuracy trade-off, 28 people were interviewed in the qualitative data collection, contrasting with 446 in the quantitative

Sample Overview

QUALITATIVE DATA OVERVIEW

The sample is formed by 28 elements distributed by generation and energy provider, guaranteeing its representativeness.




	Baby Boom	X	Millennium	Z	Total
	3	3	3	3	12
	2	2	2	2	8
	1	1	1	1	4
	1	-	-	1	2
	-	1	1	-	2

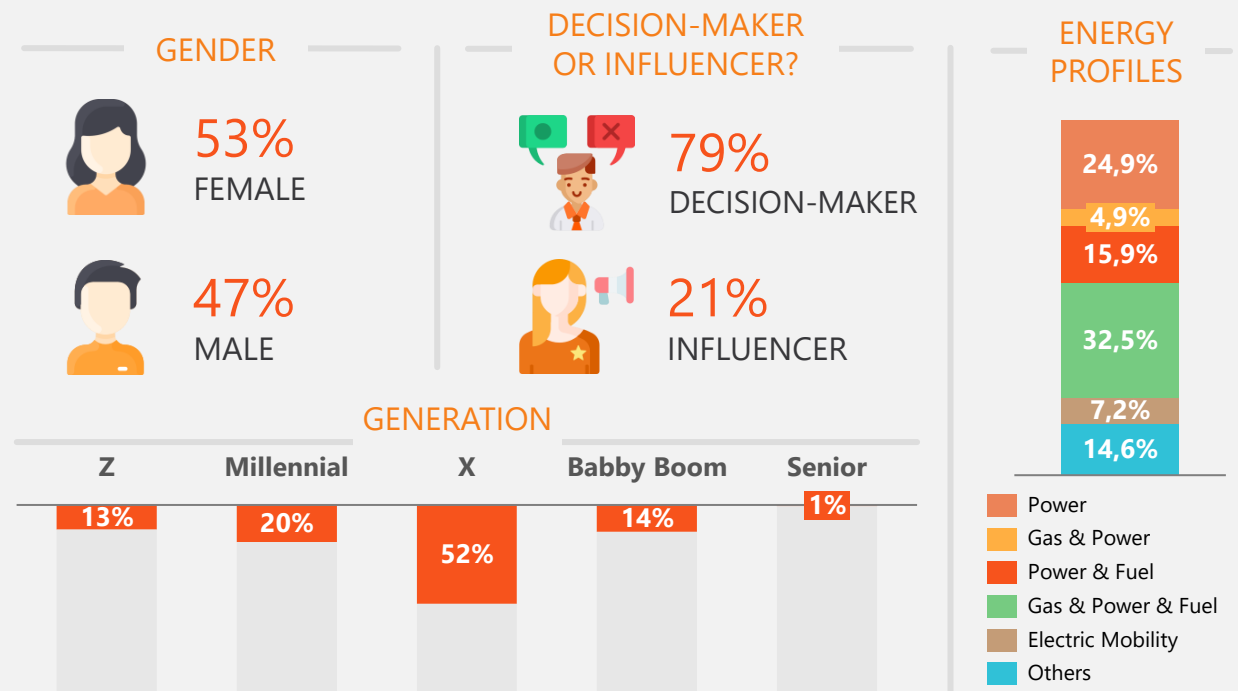
Table 3: Number of Interviewees per Generation

The interviewees were selected according to the following criteria: type of property (house/apartment), Region (urban/non-urban), Household Constitution, energy profile and energy provider.

Note: [1] Quantitative Detailed Sample Overview in Appendix 4
Source: Qualitative & Quantitative Data Collection

QUANTITATIVE DATA OVERVIEW

446 VALID ANSWERS (1609 PEOPLE REACHED)



The creation of value proposition followed the open innovation paradigm's idea funnel, starting with multiple concepts from the benchmark and brainstorming and refining them through research

New Value Proposition Development



BENCHMARK (Phase 1) | Study of national and international best practices in the energy (electricity, natural gas and fuel) and non-energy (telecommunications, streaming platforms, banking) sectors, following the open innovation paradigm approach¹.

BRAINSTORMING (Phase 2) | Discussion of value proposition proposals, together with Galp's multidisciplinary team: **Galp Energy**, **Galp Fuel** and **Fuel Go**.

RESEARCH (Phase 2) | Conducting qualitative interviews to better understand the opinions and desires of the consumer. Incorporation of the results in the quantitative study to measure the impact of the value proposition.

NEW VALUE PROPOSITION (Phase 3) | Development of a new value proposition – offer, communication and distribution channels. Creation of implementation plan and projection of financial impact (P&L analysis).



Situation Analysis: External, Internal & Competitive Environment

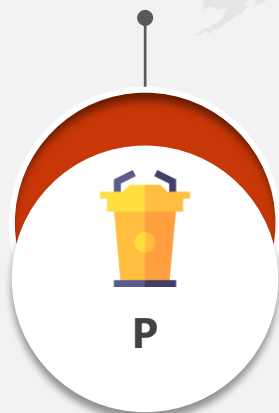


The EU energy market gradual liberalisation process created the conditions for the entry of new providers, dynamizing the Portuguese Market

PESTLE Analysis

POLITICAL

2011 marked the beginning of the B2C energy market liberalization in Portugal, created the conditions for the entry of new providers^{1&2}.



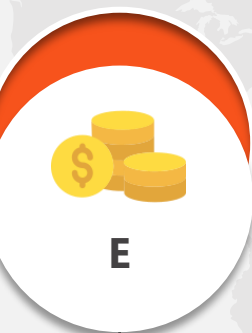
SOCIAL

Portugal presents the highest customer churn rate in Europe the energy market with 21%. Portuguese consumer is mostly influenced by price when choosing its energy provider⁵.



LEGAL

Due to the energy market liberalization all Portuguese citizens can freely choose their provider. No exit fees can be applied⁷.



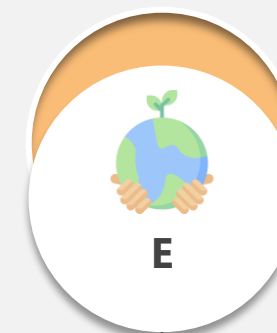
ECONOMICAL

Portugal is projected to have a negative GDP growth of 8% in 2020³. Portugal is the 7th country in the EU with highest electricity prices⁴.



TECHNOLOGICAL

Consumers search for digitalized customer journey and smart home and energy solutions⁵. New online energy price simulators allow for perfect market information⁶.



ENVIRONMENTAL

There is a further push towards decarbonization⁸.

In Portugal, the electricity and natural gas commercialization industry attractiveness is shrunk by the intense competition and product undifferentiation

Porter's 5 Forces Analysis

Intensity of Rivalry	<ol style="list-style-type: none"> 1) The recent energy market liberalization, led to the entry of new players, 2) Being a capital-intensive industry there are high barriers to entry. 3) Being a homogeneous undifferentiated good buyers show low levels of brand loyalty, leading to a price-based competition. 	HIGH
Threat of new entrants	<ol style="list-style-type: none"> 1) Barriers to entry and exit are high, due to great capital requirements and industry specialized assets. 2) Oppositely, there are no regulatory barriers to entry, no switching costs for buyers and free access to distribution channels. 	MODERATE
Threat of substitutes	<ol style="list-style-type: none"> 1) Decentralised energy resources will mean that more individuals, will be capable of generating and sharing their own energy, which may reduce demand for centrally-generated power. 2) However, the process of phasing in new technology long and requires high investment due to switching costs 	VERY LOW
Bargaining Power of Buyers	<ol style="list-style-type: none"> 1) There is very low customer concentration, therefore the B2C market has no power to influence the price. 2) Buyers showcase high price sensitivity due to the undifferentiated nature of electricity and natural gas. 3) Buyers have high ability to substitute as the energy market liberalization allows for no switching costs. 	LOW-MODERATE
Bargaining Power of Suppliers	<ol style="list-style-type: none"> 1) Portugal has only four energy producers: EDP, Turbogás, Tejo Energia, and ElecGás¹ meaning it's very concentrated. 2) Due to decarbonization, while supplier power will decline in fossil fuels, in renewable energies it may increase. 	MODERATE

Table 4: 5 Competitive Forces Analysis
Source: (1) ERSE.

Galp is the only energy provider with a portfolio and ecosystem capable of offering the three energies: Electricity, Gas and Fuel, in one integrated offer

Competitive Environment | National Benchmark

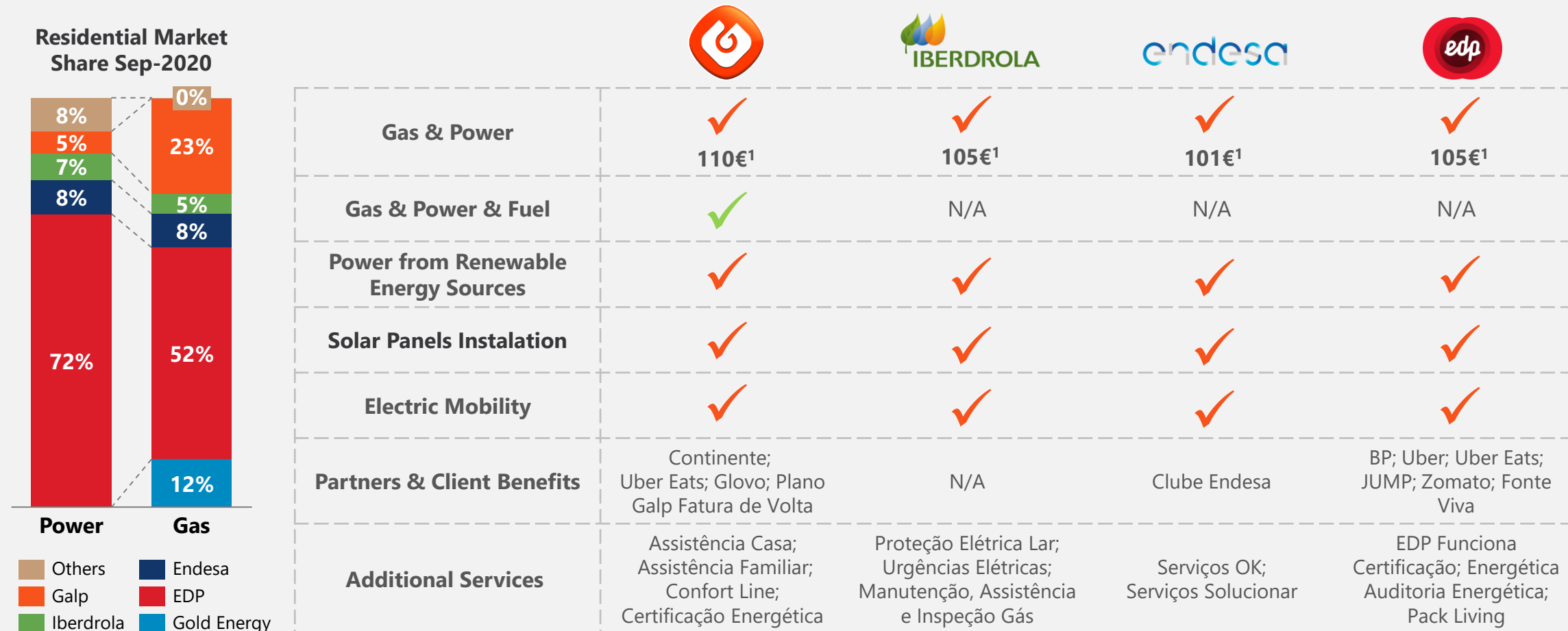


Table 5: Competitive Environment Benchmark

Note: (1) Monthly bill prices were simulated in ERSE's website for a 2 parent and 2 kids family. N/A – Non Applicable | Source: EDP, Endesa, ERSE, Iberdrola, Galp

Galp is a Portuguese energy provider that is close to their customers both at home and on the road, providing an integrated power, gas and fuel offer

Galp Energia SGPS SA is a Portugal-based holding company, founded in 1999, engaged in the oil and gas industry. Galp's activities are divided into three business segments: Exploration and Production; Refining and Marketing, and Gas and Power. **Galp Energia is leading company in Portugal playing in two different dimensions of the customer's life: Home and Road.**

At home...

Galp is close to its customers at home, providing an integrated gas and electricity offer, and several services aimed at ensuring savings, safety, efficiency and comfort.

- 1 **Natural gas**
- 2 **Electricity**
- 3 **LPG** (including heating and cooking devices)
- 4 **Services** (24h technical assistance, family medical assistance, comfort Line, energetic certification, etc.).

... On the road

Galp's retail network comprises a total of 1,465 service stations, of which 1,280 are in Iberia, being the leader in Portugal, Galp's offering in its service stations, include:

- 1 Oil products (such as gasoline, diesel or LPG)
- 2 New Energies (such as electric mobility)
- 3 Non-fuel and/or convenience products
- 4 Services

Recently, Galp launched an integrated power, gas and fuel offer leveraging its powerful and unique ecosystem

In November 2020, Galp launched an integrated offer combining the 5 energies that belong to Galp’s ecosystem: electricity, natural gas, fuel, LPG, electric mobility and joint the home and road dimensions. There are currently 4 different plans in the market: **Home & Road, Galp & Continente** - designed for the partnership with the Portuguese supermarket, **Home & e-Mobility** – designed for electric vehicle owners, and the **flexible tariff Home & Road**.







	Home & Road	Galp & Continente	Home & e-Mobility	Home & Road <i>Flexible tariff</i>
 Gas & Power	12% discount in energy bill	14% in energy bill in Continente card	20% discount in electricity during	Flexible tariff indexed to the market
 Fuel	10 cent./L discount in fuel	14 cent./L discount in fuel in Continente card	10 cent./L discount in fuel	10 cent./L discount in fuel
 LPG	3€/month discount in LPG recharging	5% discount in LPG recharging	3€/month discount in LPG recharging	3€/month discount in LPG recharging
 Electric Mobility	16% discount in electric charging	16% discount in electric charging	16% discount in electric charging	16% discount in electric charging
 Equipment	10% discount in Galp equipment	10% discount in Galp equipment	10% discount in Galp equipment	10% discount in Galp equipment

Table 6: Galp Gas & Power Current Market Offer

Galp key strengths include a strong position in the fuel and natural gas market, contrarily to its low brand recognition in the electricity market

SWOT Analysis

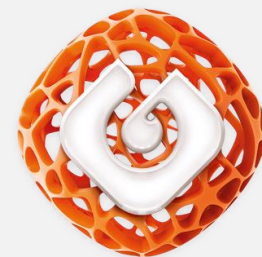
INTERNAL	<p>Strengths</p> <p>S1 – Market leader in fuel, with 27% market share, with brand notoriety over 90% and recognized as a high quality trusted brand.</p> <p>S2 – Strong position in the natural gas market, with 23% market share, with a strong customer base.</p> <p>S3 – Biggest gas station network in Portugal.</p> <p>S4 – Strong partnership established with Sonae.</p> <p>S5 – Besides convenience goods, and health & technical assistance services, Galp product portfolio includes fuel, electricity, natural gas, being the only provider to offer these 3 types of energy.</p>	<p>Weaknesses</p> <p>W1 – Weak position in the electricity market, with 5.3% market share, with low brand recognition.</p> <p>W2 – Highest price point in the market, selling undifferentiated goods.</p> <p>W3 – Low investment in Electricity & Gas marketing campaigns</p>
	<p>EXTERNAL</p> <p>Opportunities</p> <p>O1 – Gradual substitution of fuel vehicles by electric vehicle.</p> <p>O2 – Rising adoption of smart technologies and digitalization.</p> <p>O3 – Young generations, particular Gen Z's have started moving-out, sinning their first electricity and/or natural gas contract.</p> <p>O4 – High dynamism of the Portuguese electricity market with 21% churn rate.</p>	<p>Threats</p> <p>T1 – Strong competition in the B2C segment.</p> <p>T2 – High price sensitivity.</p> <p>T3 – Micro-generation and energy decentralization trend is increasing production and consumption in local markets.</p>

Table 7: SWOT Analysis



Concept Development & Testing

Benchmark: Energy &
Non-Energy Sectors



The energy market is moving towards an EaaS conceptualization - an innovative business model that provides bundled energy services, propelled by technology

The international panorama is marked by the Energy as a Service (EaaS) trend - an innovative business model that provides bundled energy services, propelled by technology. Also, due to the energy liberalization, challengers' companies entered the market and are threatening the incumbent's market share, focusing on the development of energy services complemented by telecom, electric vehicle charging and solar panels installation.

FROM ANALOGIC TO DIGITAL...

SUBSCRIPTION MODEL

The consumer does not pay per unit, but for an all-inclusive package.

DATA-DRIVEN

Digital technology development enables monitoring and the establishment of a relationship with the energy provider not previously possible.

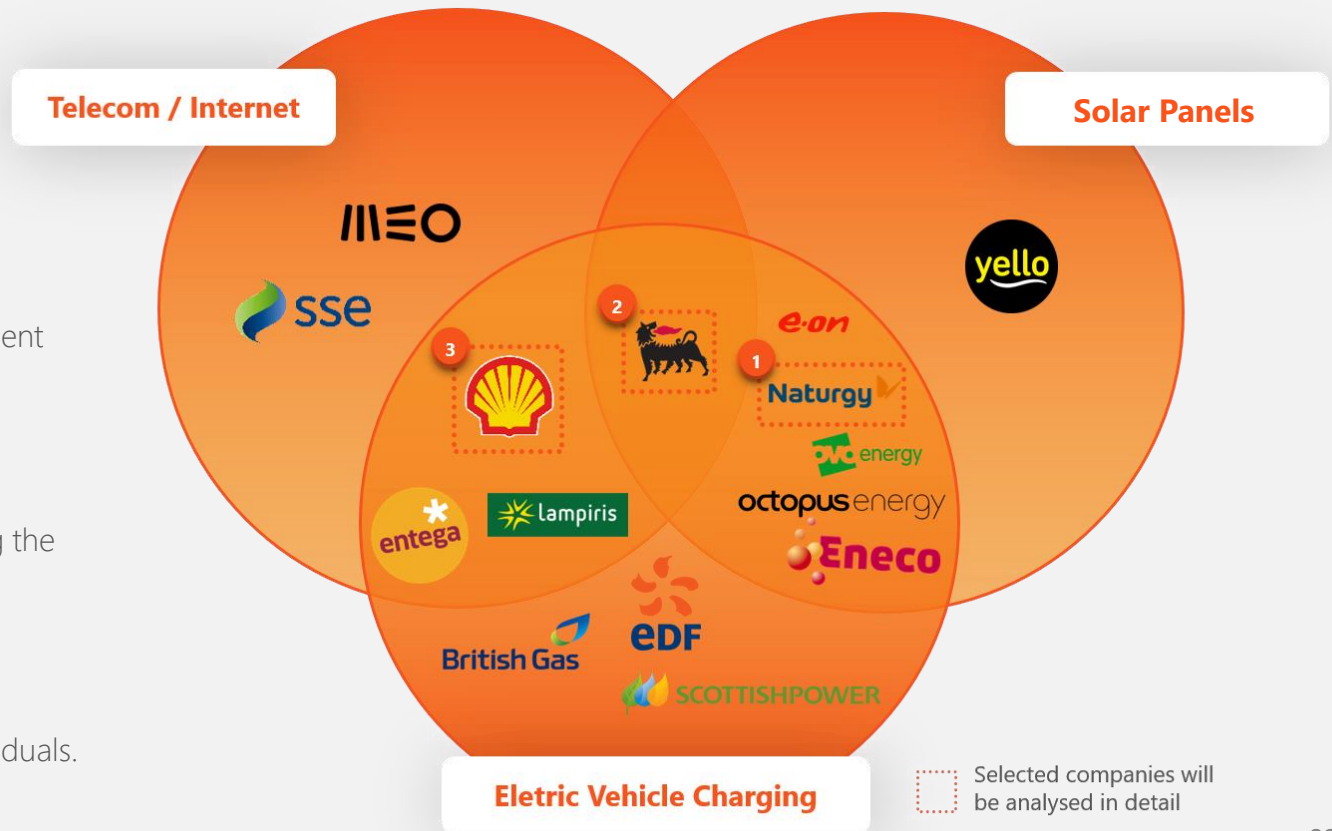
CONNECTED MODEL

The increasing digitization allows the simplification of services, changing the dynamics of selling and buying energy

DECENTRALIZED ENERGY GENERATION

Decentralized energy generation with locally micro-production by individuals.

Source: Deloitte, BCG



Naturgy has disrupted the Spanish market offering electricity and natural gas subscription services through the Monthly Rate and Superpack plans



Naturgy is a Spanish company that sells natural gas and electricity. The company offers the **Monthly Rate** – a fixed price subscription plan of gas & power services – and **maintenance services**. Consumers may join the two services, with a discount, through the **Superpack**. Naturgy also has an EcoEasy rate tariff.

MONTHLY RATE

Electricity & Gas

19€/month to 121€/month

+

MAINTENANCE SERVICES

Electrical & Gas Equipment

4.79 to 17.65€/month

SUPERPACK

49€/month to

133€/month

ECO-EASY RATE

CHANNELS

Naturgy supports its clients digitally and offline through the following channels:

- **Store Network**
- **Chatbox** (available 24/7)
- Customer Support on Social Networks: Twitter & Facebook
- Customer Support Website
- Naturgy App

OTHER SERVICES

- Solar Panels Installation
- Chatbox (24/7 availability)

CUSTOMER PERKS

NATURGY CARD



Mastercard Credit Card with discounts on Naturgy invoice

ENERGY BILL DISCOUNT



14% discount on Amazon & 10% on Booking reservations

LEISURE DISCOUNT



Partner network discounts in the Client Area (e.g.: Rentalcars)

VIDEO-ASSISTANCE MEDICAL SERVICE



Available 24/7 with no additional charges

Naturgy offers 5 monthly electricity and gas tariffs for different consumption levels that can be combined according to the consumer needs

MONTHLY RATE

Monthly electricity and gas tariffs follow a subscription model and can be combined according to the consumer's needs.




Naturgy 	Micro	Mini	Media	Maxi	Extra
 Electricity	31€/month up to 1.500 kWh/year	55€/month up to 2.500 kWh/year	74€/month up to 4.000 kWh/year	98€/month up to 5.500 kWh/year	121€/month up to 7.000 kWh/year
 Gás	19€/month up to 3.000 kWh/year	37€/month up to 6.000 kWh/year	57€/month up to 9.000 kWh/year	74€/month up to 12.000 kWh/year	102€/month up to 20.000 kWh/year

Table 8: Naturgy Monthly Rate Tariffs

Terms and Conditions:

- (1) Electric Power** | The following prices are available for an electric power below 6 kW. For higher powers there will be an increase of 6€ to the subscription value.
- (2) Overconsumption** | If the customer exceeds the annual limit of their monthly rate, an additional amount will be charged for the surplus consumed: **Light** - 0,258€/kWh for each kWh consumed over the limit & **Gas** – €0.111/kWh for each kWh consumed above the limit.
- (3) Cancellation** | If the customer cancels the Monthly Rate subscription before the end of the contract, the amount that should have been invoiced until that date will be charged. It is the difference between that amount and what was paid by the customer until the date of cancellation.

Note: VAT and taxes are included in the prices above. | Source: Naturgy Spain

Shell enters the UK energy market with an integrated high-tech offering that combines electricity, gas and fuel with smart streaming devices



Shell offers 4 electricity & natural gas tariffs of 100% renewable energy. In a digital disruptive offer, new Shell Energy members receive the Google Smart Streaming add-ons listed below.

Electricity/ Electricity & Gas Tariffs	Smart Streaming Complements	Price
Energy August 2023 (Flat rate for 34 months)	Google Chromecast Google Nest Hub Google Nest Mini	Price per kWh + Daily rate Price varies by Region in UK
Energy September 2022 (Flat rate for 23 months)	Google Nest Hub Google Nest Mini	
Go Further October 2021 (Flat rate for 12 months)	Google Nest Hub	
Flexible 4	-	Price indexed to the market

Table 9: Shell Energy Tariffs

EXCLUSIVE ADVANTAGES

FUEL DISCOUNT WITH SHELL GO+ CARD

3% discount in 60 liters of fuel per month on Shell Go+ Card



BILL DISCOUNTS FOR SHELL INTERNET CLIENTS¹

DISCOUNT ON ELECTRIC CHARGING

Credit of £6.67/month (2,000 miles) billed on the Shell invoice for 1 year

SMART HOME

- **Installation of smart meters free of charge** (SMETS2)
- **Installation of electrical charging point at home** & access the charging network across the country
- **Solar energy storage** by Sonnen battery

OPTIONAL SERVICES: PARTNERSHIP WITH AXA

- **Boiler Cover** (£6.99/month)
- **Home Emergency** (£14.48/month)
- **Boiler Cover Plus** (£11.99/month)
- **Home Emergency Plus** (£19.48/month)

In the non-energy sector, the bundling and subscription models market dynamics are interesting to explore, in order to innovate Galp's current value proposition

Non-Energy Sector Benchmark

In the non-energy sector, the bundling and subscription model market dynamics, particularly in Telecom, Insurance, Streaming and Banking are interesting to explore, in order to innovate Galp's current value proposition. The analysis focused on the highlighted companies: NOS, Farmer's Insurance, Netflix, Prime Video & N26.

	Product Bundling			Subscription Services				
Telecoms	1 							
Insurance	2 							
Streaming Platforms					3 			4 
Online Banking					5 			

 Studied in detail

Note: [1] Detailed information in Appendix 16 to 19. | Source: NOS, Farmers Insurance, Netflix, Amazon Prime and N26



Concept Development & Testing

Hypothesis Formulation



The development of the new value proposition had as underlying principles 4 main pillars: simplification, transparency, technology and partnership



After the benchmark analysis and brainstorming the concept development ended with the creation of the three proposals below that were tested in the market

PROPOSALS UNDER STUDY

1

Electricity and/or Gas Subscription Model

By joining Galp Energy, **the consumer pays a fixed amount per month for the electricity or gas service.** The client would have several subscriptions plans available, each with a certain annual consumption limit. This will ensure that each customer profile has a plan appropriate to its consumption level.

2

Fuel Subscription Model

By joining the Galp Fuel subscription model the consumer pays a **fixed monthly amount at the beginning of the month and is entitled to use that amount in fuel purchases** with a discount of X cents per liter.

If the customer does not consume the entire amount paid within the given month, the excess would accumulate in the client's Wallet.

3

Fuel Go

By joining the Fuel Go, the customer receives a digital card with a QR code. This QR code used in the fuel station to unlock the pump and allow the customer to fill in its vehicle. **After the client is done filling up the vehicle, he can just leave the station without having to go inside the shop to pay.** Later, the amount spent would be charged in the electricity and/or gas bill with a discount of X cents per liter.



Concept Development & Testing

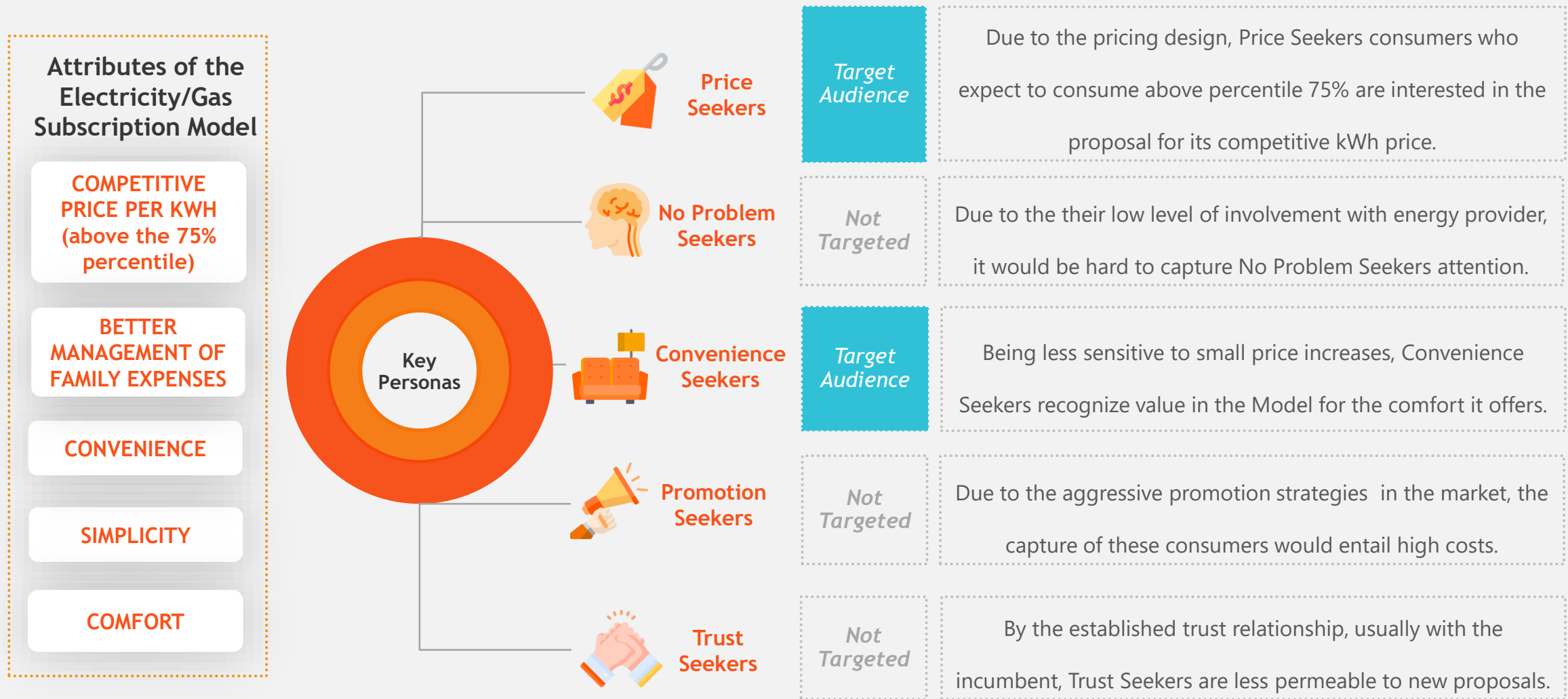
Testing hypothesis
(Quantitative Results –
Gas & Power)



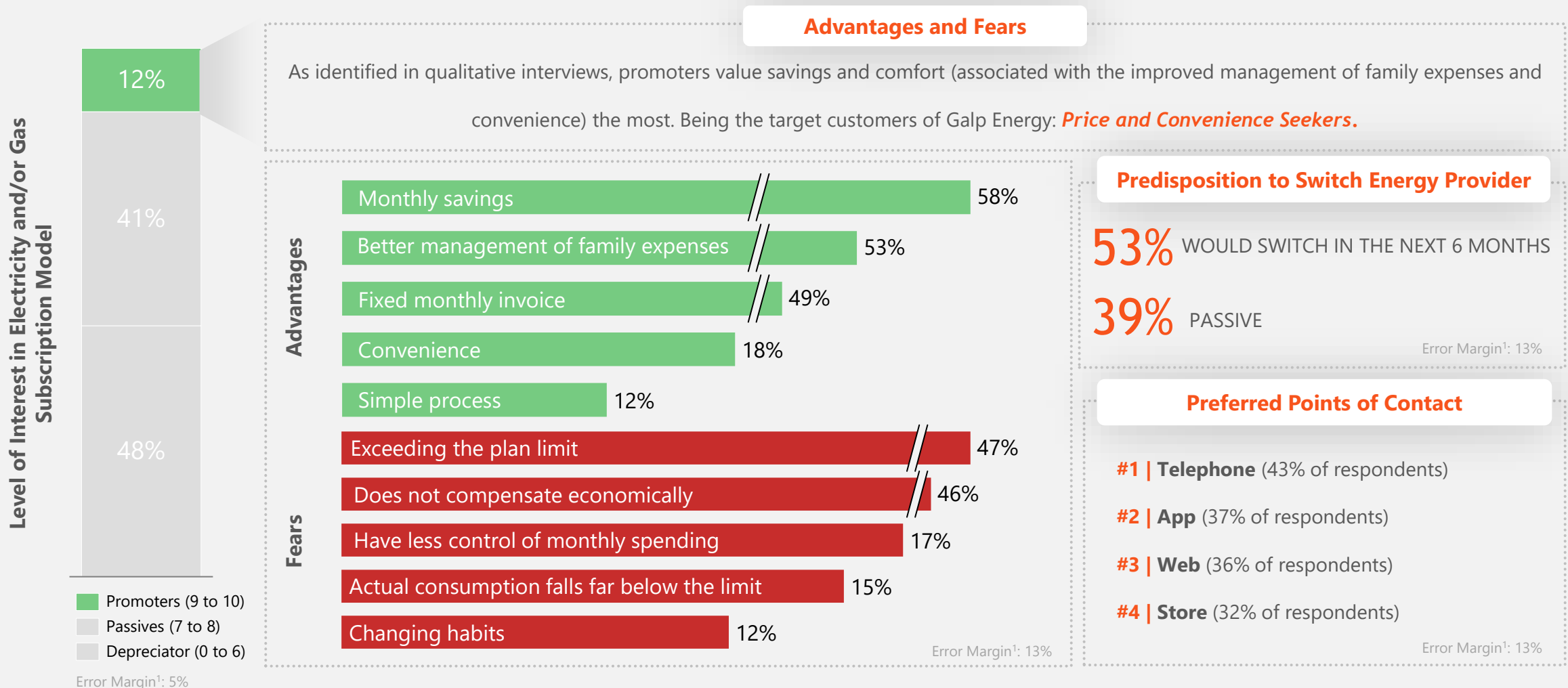
After the qualitative data collection, the *Price e Convenience Seekers* were identified as the main target of the Electricity/Gas Subscription Model



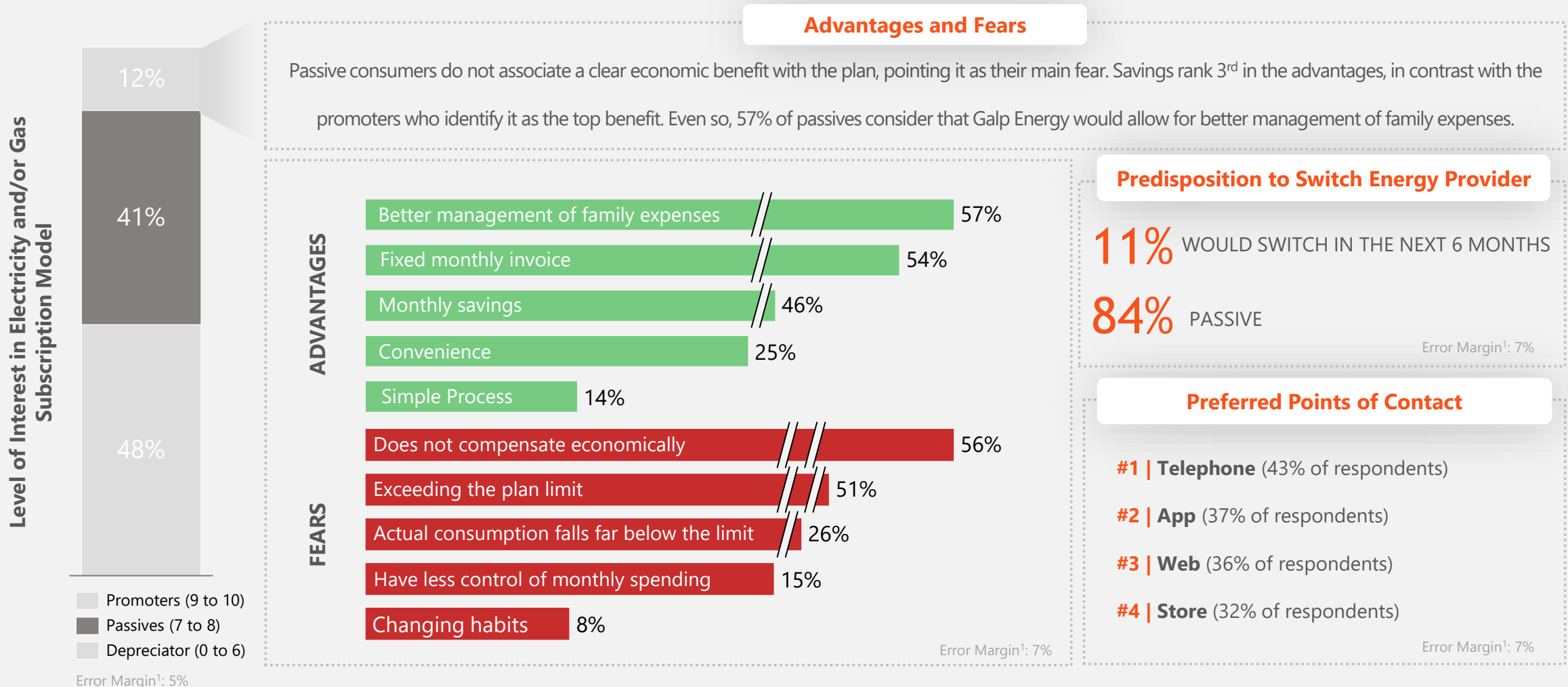
Based on attributes of the value proposition, Price and Convenience Seekers have been identified as the main target of the Electricity Subscription Model



12% of the respondents are promoters of the plan, highlighting the monthly savings and better management of family expenses as the plan's key advantages



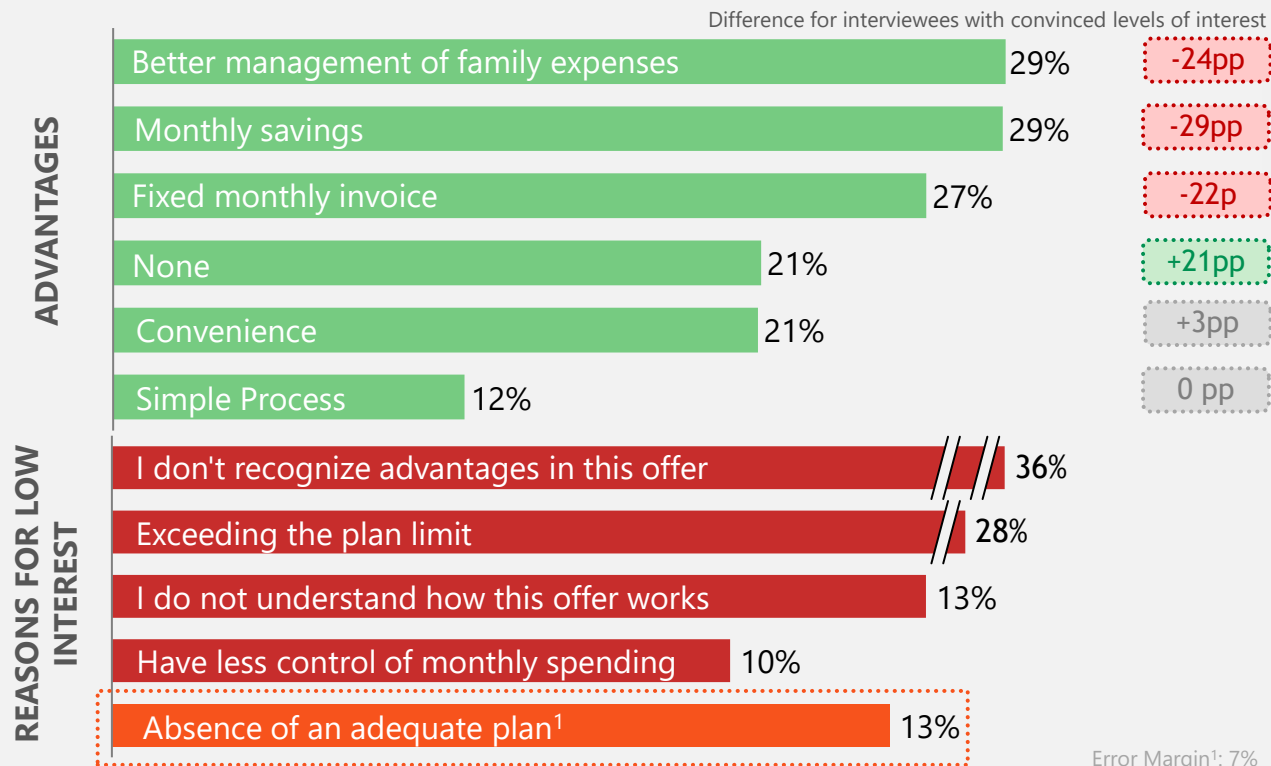
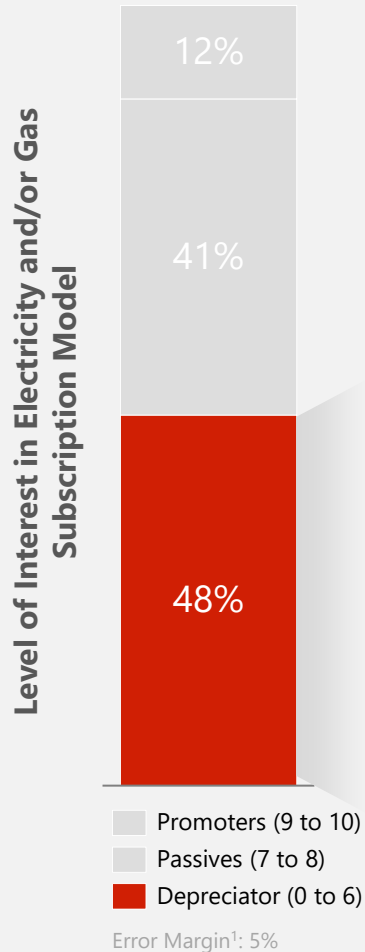
41% of the respondents show passive interest in the Subscription Model, highlighting as biggest fear that the plan does not payoff economically



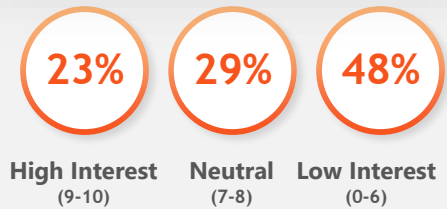
48% of respondents have no interest in joining the plan, being the main reason for low interest is not recognizing advantages in the offer

Advantages and Fears

The disinterest shown by 48% of the interviewees is mainly due to the non-recognition of advantages in this offer (36%). Only 13% find that there is no plan suitable for their consumption, which consolidated the formulation rational of the tariffs the proposal presented.



With a suitable plan would you subscribe to Galp Energy?

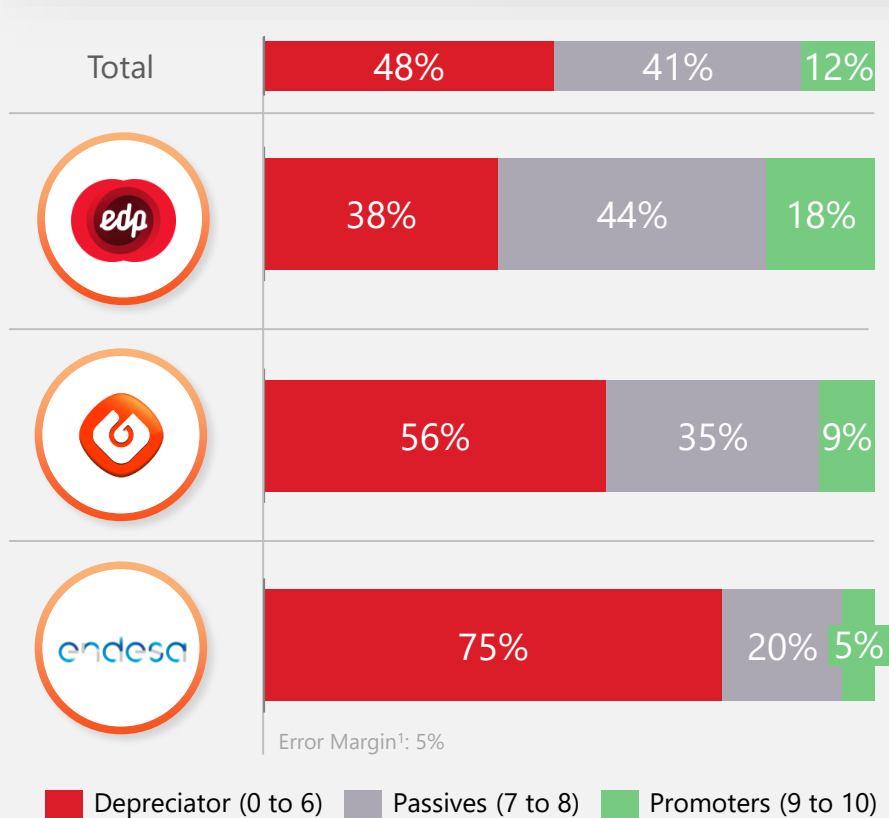


From the respondents that pointed the absence of adequate plan 23% would join with the formulation of a personalized plan

Note: (1) 9.8% Absence of a consumption-appropriate plan & 2.9% Lack of a plan suitable for housing power

When associating the EDP brand with Galp Energy, the number of promoters increases to 18% compared with the 12% market average

Interest in joining the Electricity and/or Gas Subscription Model by provider



EDP AS A BRAND OF PREFERENCE

EDP has the highest percentage of promoters, 18%, and the lowest level of depreciators (38%). This is probably connected with the high of brand recognition in the energy market held by the incumbent company



TREND | LOWER INTEREST WITH GALP BRAND ASSOCIATION








When associating the Subscription Model with the Galp brand there tends to be less interest from consumers. Still, due the error margin no conclusions can be taken.



GALP CUSTOMERS SATISFACTION

For current Galp customers, when the Galp brand is associated with the Subscription Model, the number of promoters increases to 28%. The increased number of promoters compared to the average shows high levels of customer satisfaction.

Special perks were designed for Galp Energy clients and after testing food delivery and grocery shopping were considered the top 2 by the market

Energy Subscription Model Client Perks		Total	Generation Z	Generation Millennial	Generation X	Generation Baby Boom & Senior
	Monthly offer of a 5% Voucher on grocery shopping	73%	66%	64%	76%	80%
	Free food delivery fee 2x/month	21%	60%	35%	11%	4.7%
	2 movie tickets per month at the price of Monday	16%	37%	20%	11%	10%
	Free online bank card shipping (e.g. Revolut)	15%	36%	14%	12%	11%
	5% Discount in partner canine day care centers	11%	11%	5%	2%	2.3%
	Credit of 2,5€/month on Uber service	4%	-	-	-	-
	Monthly offer of a 5% Voucher on purchases in technology stores (e.g.: Worten, Fnac)	-	-	-	-	-
	Error Margin	5%	13%	11%	6%	12%

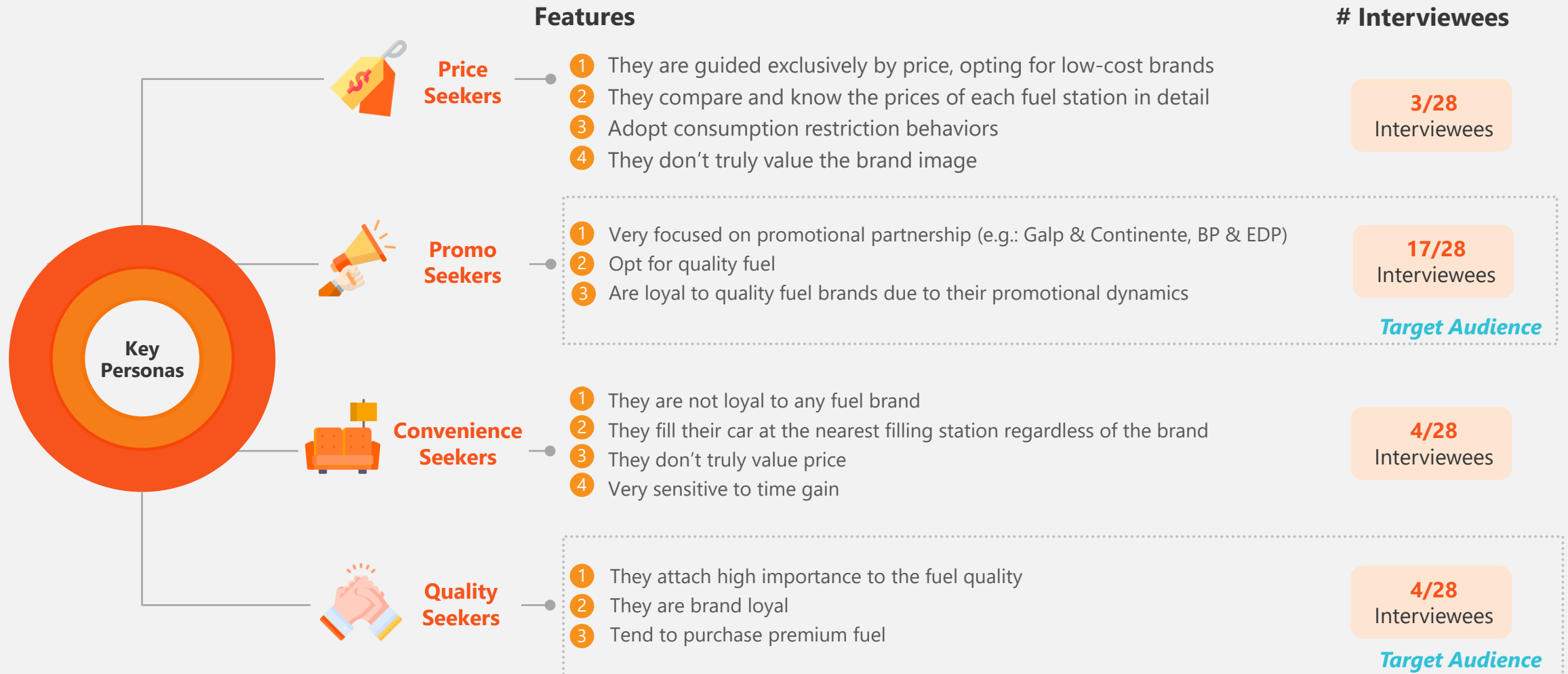


Concept Development & Testing

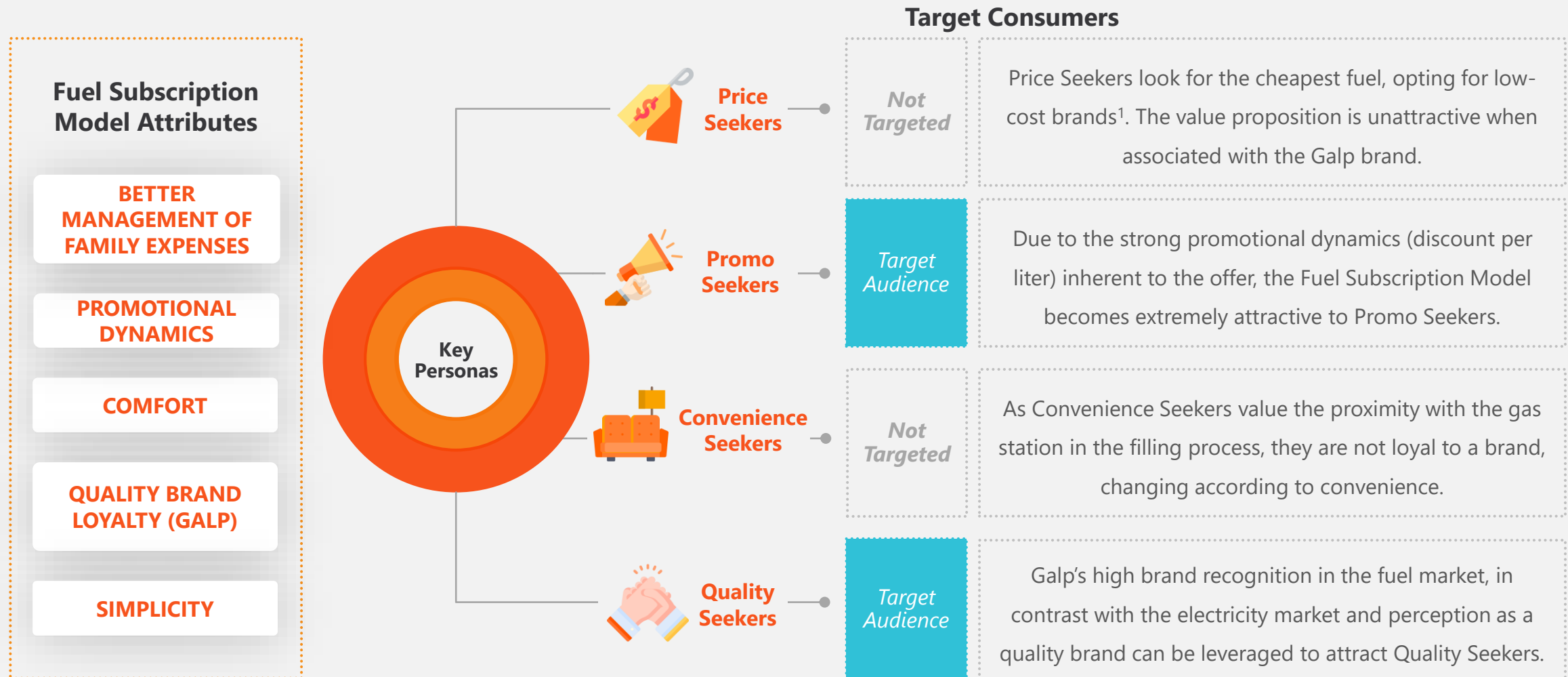
Testing hypothesis
(Quantitative Results –
Fuel Subscription)



According to each persona profile and value proposition attributes, the Promo and Quality Seekers will be the target of the two Fuel Models



Based on the model attributes, Promo and Quality Seekers have been identified as the main target of the Fuel Subscription Model



Note: (1) Low-cost brands example: hypermarkets and Prio.

40% of the interviewees would adopt the Fuel Subscription Model with a 14cent/L discount, pointing out as biggest advantage the payment process

Interest Level Fuel Subscription

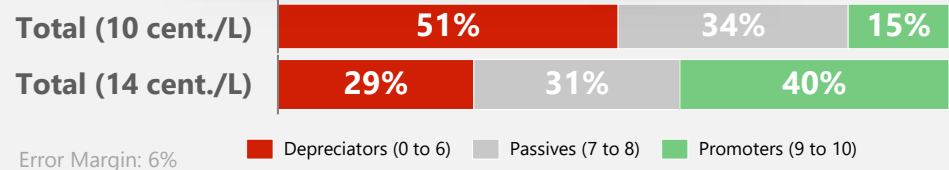


Table 17: Interest Level to Fuel Subscription by Generation

For 14cent/L discount	Total	Z	Millennial	X	Baby Boom & Senior
Promoters	40%	67%	34%	28%	41%
Passives	31%	23%	34%	35%	18%
Depreciators	29%	11%	33%	38%	41%
<i>Error Margin</i>	6%	18%	13%	8%	14%

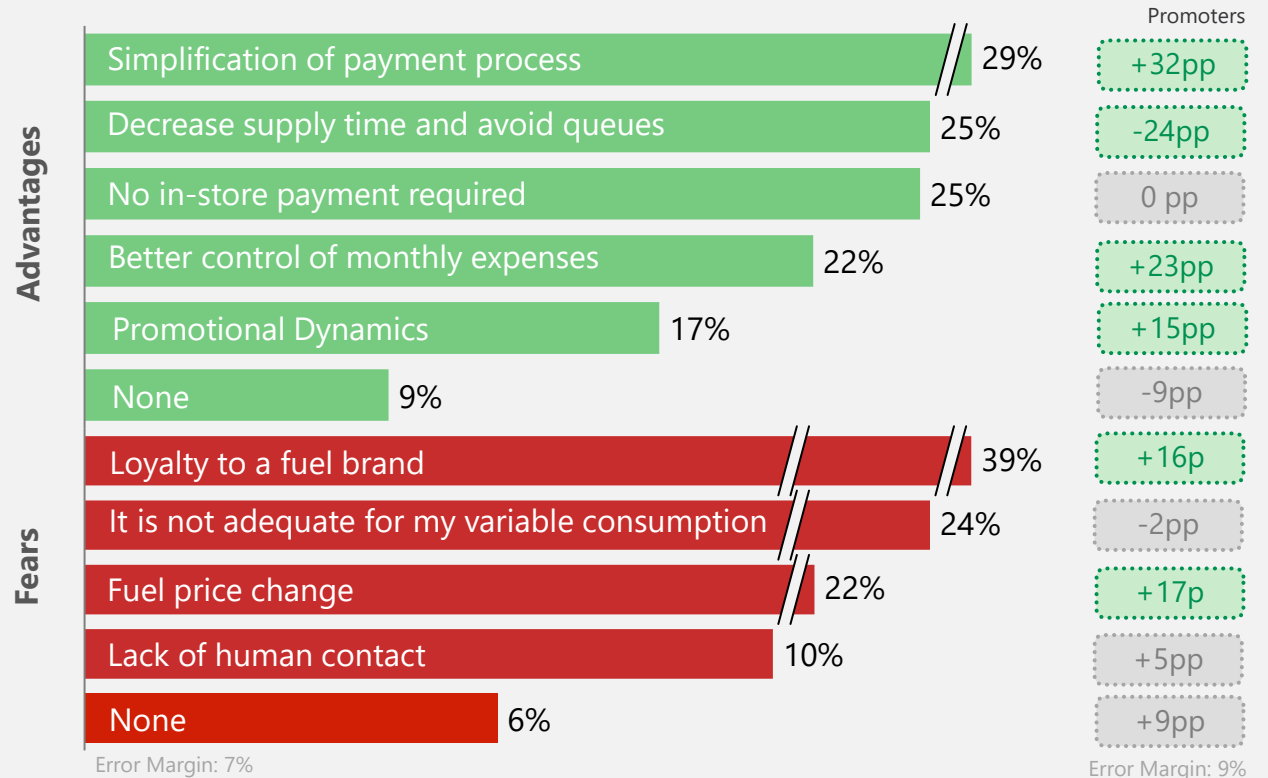
HIGHLY VALUED PROMOTIONAL DYNAMICS | The number of promoters for the 14 cent/L discount offer is substantially higher compared with the 10 cent/L discount.

GENERATION Z STANDS OUT AS MOST INTERESTED

Source: Quantitative Data Collection, SurveyMonkey

Advantages and Fears

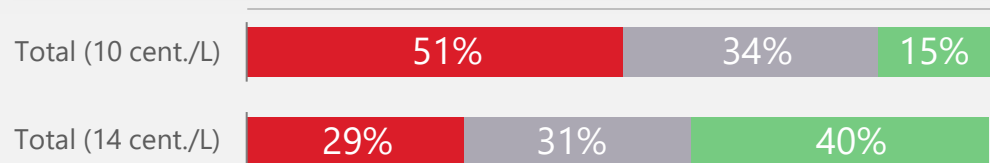
The interviewees identify the simplification of the payment process as the main advantage of the Subscription Model. For the promoters, this advantage is highlighted by 61%. On the other hand, loyalty to a fuel brand tends to be the most common fear among interviewees.



Error Margin: 9%

Galp emerges as a brand of preference for respondents in the fuel subscription, with 19% of interviewees being promoters when associated with Galp

Interest in joining the Fuel Subscription Model by Provider



■ Depreciator (0 to 6)
 ■ Passives (7 to 8)
 ■ Promoters (9 to 10)



GALP AS A BRAND OF PREFERENCE

Contrarily to the Electricity and/or Gas plans, when associated with the Galp brand with the Fuel Subscription Model, the number of promoters increases by 3pp (19%). In addition, the number of depreciators is lower than the average (44% Galp VS 51% Average).



GALP CUSTOMER SATISFACTION

For current Galp Fuel customers, when the Galp brand is associated with the Subscription Model, increases to 31%, showing the loyalty to the brand. 20% of BP customers show high level of interest if the brand is Galp.



CORRELATION WITH THE CURRENT PROVIDER

A direct correlation is identified between the percentage of promoters and the current provider. 33% of BP customers are strongly interested in an offer from BP, and 40% of Repsol customers in an offer from Repsol.

Interest level to the Combination of the Fuel & Electricity and Gas Subscription Model

Depreciators (0-6) Passives (7-8) Promoters (9-10)



Generation Z shows greater interest in the combined Electricity, Gas & Fuel subscription, with 28% of respondents being promoters.

endesa

Endesa customers tend to showcase a higher number of promoters.

Predisposition to change provider in the next 6 months to join Fuel Subscription plan



11%
CONVICTED



30%
PASSIVE



60%
DEPRECIATIVE

Error Margin: 6%

The digital channels, App and Web, stand out as market favorites in the Fuel Subscription model

	Total	Gen Z	Gen Millennial	Gen X	Gen Baby Boom & Senior
App	22%	30%	23%	23%	12%
Store	12%	16%	7%	13%	14%
Gas Station	11%	10%	7%	10%	20%
Phone	18%	22%	16%	18%	14%
Web	26%	18%	28%	29%	19%
Error Margin	6%	18%	13%	8%	15%

Table 11: Market Preference Channel

- The digital channels, Web and App, take the lead the interviewees preferences as 48% of the respondents selected them as preferred support channels.
- Baby Boom & Senior generations choose physical channels (Shop and Gas station) as their preferred channel with 34%.
- The channels preferred by EDP customers also tend to be digital channels, for 45% of respondents. Physical channels also appear as relevant for 22% of respondents.



Concept Development & Testing

Testing hypothesis
(Quantitative Results –
Fuel Go)



Based on the model attributes, Promo and Quality Seekers have been identified as the main target of the Fuel Go Model



33% of the interviewees would adopt the Fuel Go with a 14cent/L discount, pointing out as biggest advantage the payment process

Interest Level Fuel Subscription

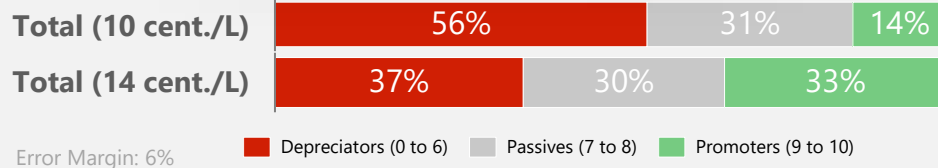


Table 19: Interest Level to Fuel Go by Generation

	Total	Z	Millennial	X	Baby Boom & Senior
Promoters	33%	60%	44%	26%	32%
Passives	30%	21%	31%	32%	28%
Depreciators	37%	21%	26%	43%	41%
Error Margin	6%	18%	13%	8%	14%

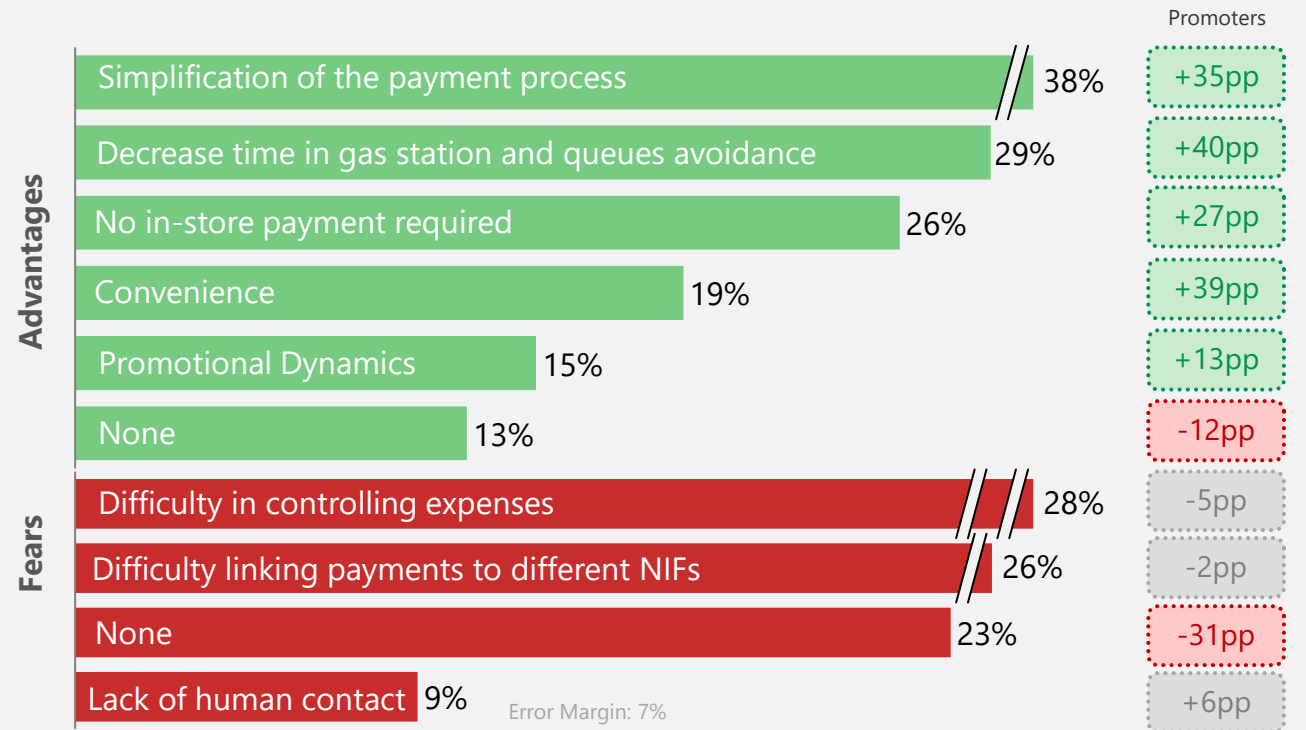
HIGHLY VALUED PROMOTIONAL DYNAMICS | The number of promoters for the 14 cent/L discount offer is substantially higher compared with the 10 cent/L discount.

GENERATION Z STANDS OUT AS MOST INTERESTED

Source: Quantitative Data Collection, (1) SurveyMonkey

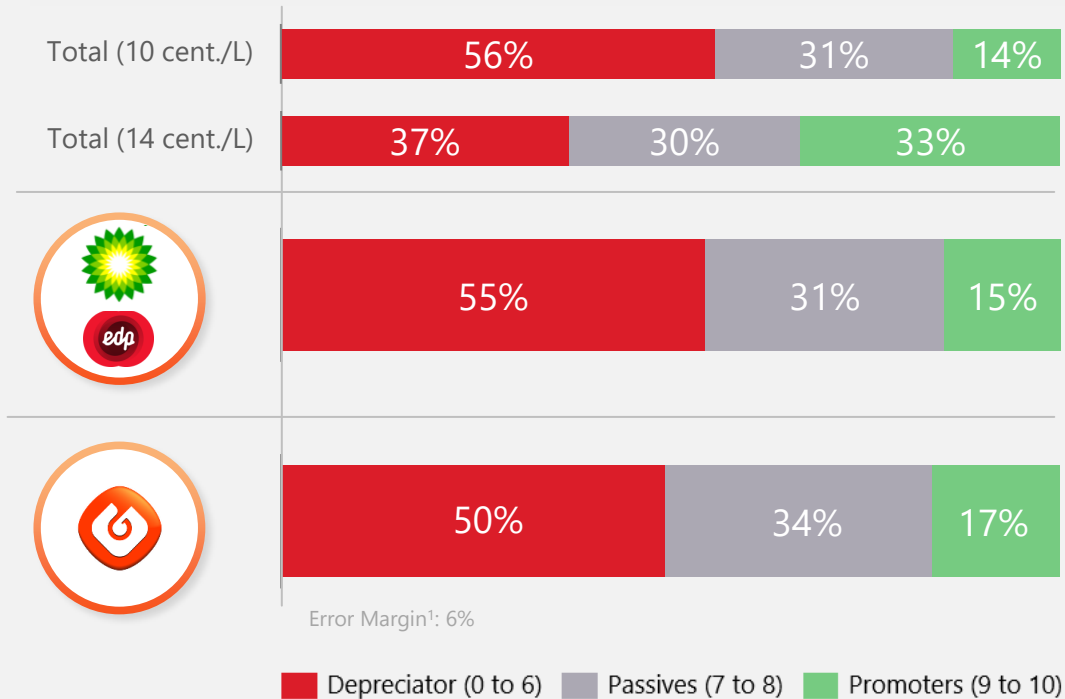
Advantages and Fears

Interviewees identify the simplification of the payment process as the main advantage of Fuel Go. For the promoters, this advantage is highlighted by 73%. On the other hand, the difficulty in spending control tends to be the most common fear among the interviewees.



Galp has an opportunity to consolidate its position in the electricity market leveraging its strong fuel position

Interest Level on Fuel Go by Provider



GALP TREND AS A BRAND OF PREFERENCE

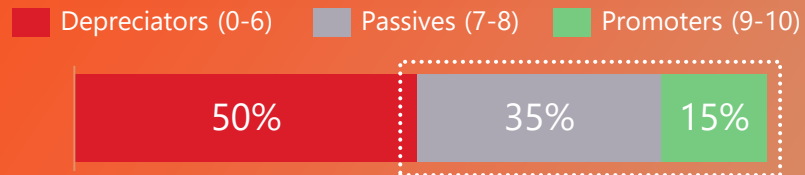
Contrarily to the Electricity and/or Gas offer, when the Galp brand is associated with Fuel Go, the number of promoters increase when compared to the average. Plus, the number of depreciators is lower than the average (50% Galp VS 56% average).



OPPORTUNITY FOR GROWTH IN ELECTRICITY

For current Galp customers, when the Galp brand is associated with the Fuel Go offer, the percentage of promoters is **28%**. This figure reveals a great opportunity for growth in electricity, capitalizing on Galp's current market share of 27% in fuels.

Interest level of the combination of the Electricity and/or Gas Subscription Model and Fuel Go



Generation Z shows greater interest in the combined Electricity, Gas & Fuel subscription, with 37% of respondents being promoters.

endesa

Endesa customers tend to showcase a higher number of promoters.

Predisposition to change provider in the next 6 months to join Fuel Go



Error Margin: 6%

The digital channels, App and Web, stand out as market favorites in the Fuel Go model

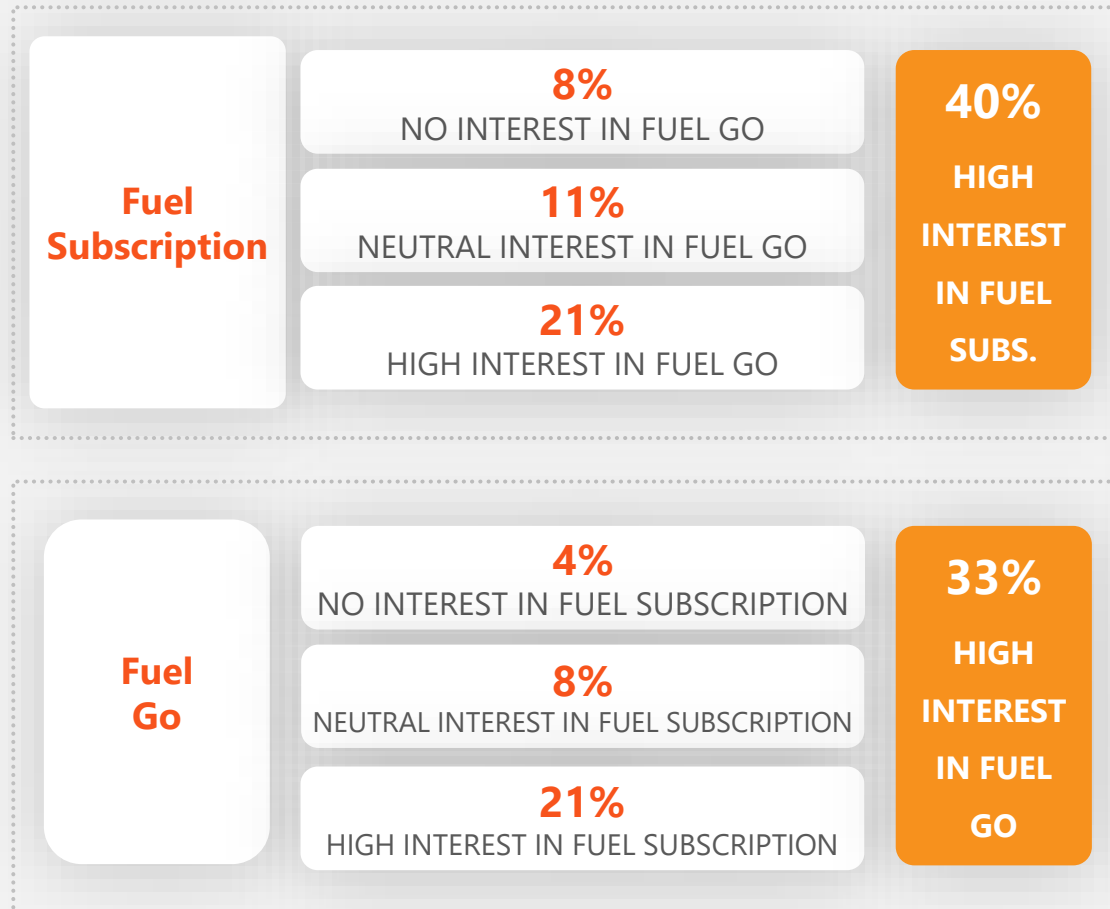
	Total	Gen Z	Gen Millennial	Gen X	Gen Baby Boom & Senior
App	22%	29%	26%	20%	18%
Store	10%	11%	7%	9%	13%
Gas Station	10%	7%	9%	9%	18%
Telephone	13%	14%	20%	12%	10%
Web	25%	21%	33%	25%	19%
Margin of error	6%	18%	13%	8%	15%

Table 12: Market Preference Channel

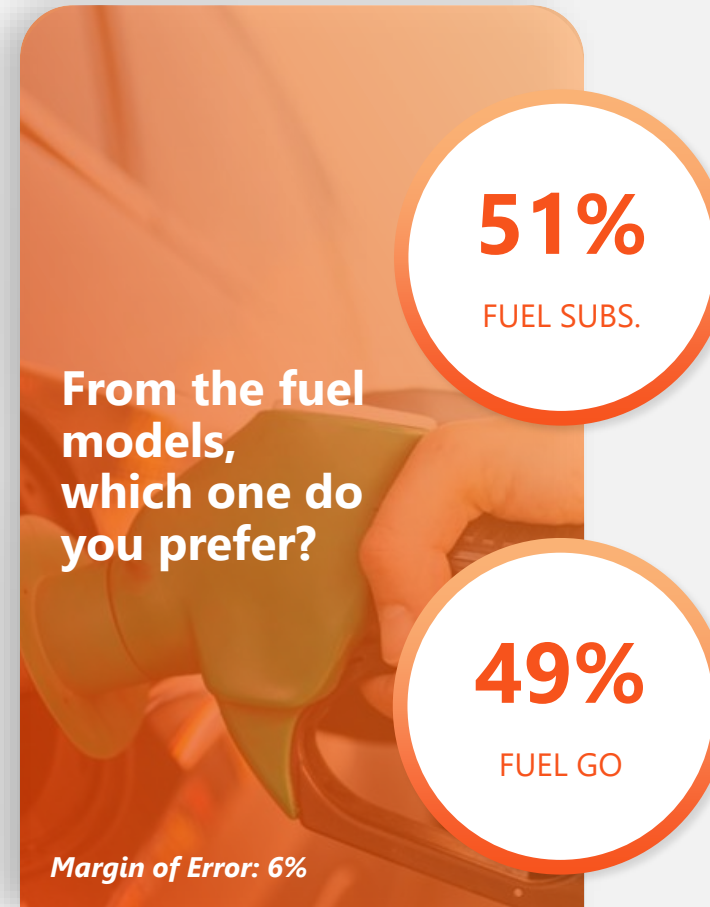
- **Digital, Web and App channels take the lead in respondents' preferences with 47%**
- For generation Z, the App is the channel of choice for joining Fuel Go.
- Baby Boom & Senior generations are the ones that value the store and the gas station channel the most.
- The channels preferred by EDP customers also tend to be digital channels, for 47% of respondents. Physical channels (Store and Galp stations) also appear as relevant channels for 18% of respondents.

The market is equally divided by the two Fuel Models presented; due to the error margin it is not possible to identify the model of choice of the market

Interest Level Distribution per Model



Preferences between Fuel Models



The preference for the Fuel Subscription Model is mainly due to the simplification of the fueling process while, at the same time, allowing consumer to have better control of household expenses. The preference for Fuel Go is due to the simplification of payment process, without the hurdle of committing to a fuel brand.

After the quantitative results analysis, it is important to summarize and compare the all models in order to decide which ones to pursue or reject

	ELECTRICITY AND/OR GAS SUBSCRIPTION MODEL	FUEL SUBSCRIPTION MODEL	FUEL GO
INTEREST LEVEL	12% of respondents are promoters of the Electricity and/or Gas Subscription Model	40% of respondents are promoters of the Fuel Subscription Model for a discount of 14cent/L	33% of respondents are promoters of the Fuel Go Model for a discount of 14cent/L
MAIN ADVANTAGES	Savings, better management of family expenses, plan personalization, convenience and comfort	Simplification of the payment process, queues avoidance, convenience, improved control of monthly expenses and promotional dynamics	Simplification of the payment process, queues avoidance, convenience and promotional dynamics
MAIN FEARS	Exceeding the monthly limit, actual consumption below the limit, does not compensate economically, have less control in spending	Commitment to a fuel brand, change in the fuel price, unsuitable for variable fuel consumption habits and lack of human contact	Uncontrolled spending and lack of human contact
RISK	Low risk of collection	No collection risk	Higher credit risk compared to other models and risk mitigation mechanisms (entry fee) can decrease model attractiveness

Table 13: Model Comparison and Summary

Taking into consideration the table below, the best way to integrate the 3 energies would be through the adoption of the **electricity & gas and fuel subscription models**. Although the Fuel Go option would be interesting to explore, the high credit risk to Galp and uncontrolled spending risk for the consumer makes the value proposition less appealing when compared to the Fuel Subscription Model.



Recommendations: Galp Energy & Galp Fuel



In order to grow in the electricity market, Galp must invest in the integration of its service offer creating a unique ecosystem of electricity, gas & fuel

The **new value proposition – Galp Energy & Galp Fuel** – has as main objective to grow in the electricity market, removing customers from the incumbent and taking advantage of the powerful and valuable Galp Ecosystem. Based on national and international best practices, the disruptive proposal of subscription models for electricity, gas and fuel services was formulated, enhancing Galp's growth in an integrated manner.

Growing up in the electricity market...

... With an integrated, disruptive and differentiating offer



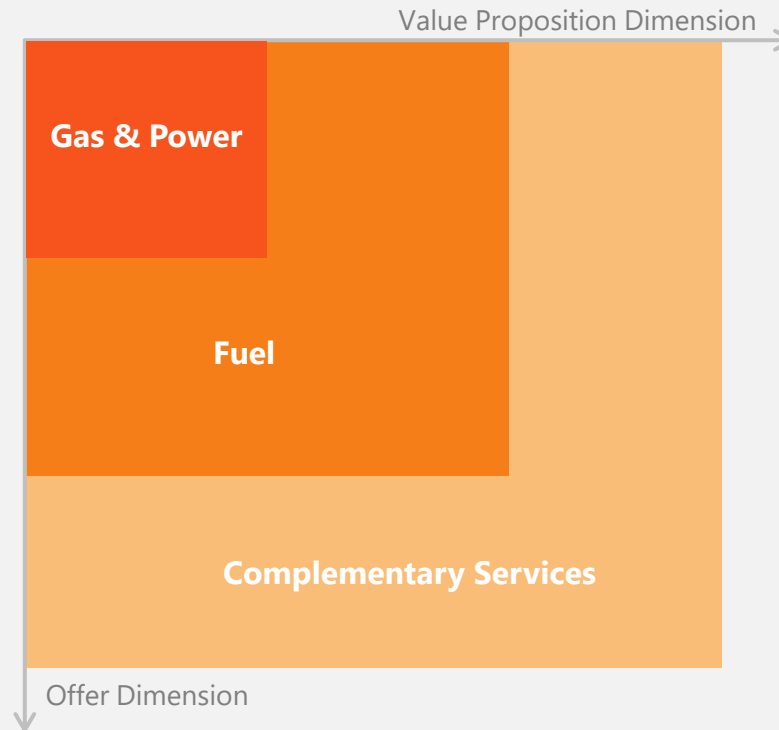
Grow in the electricity by leveraging Galp's position in the gas market



Build an integrated and disruptive offer supported by Galp's position as a 3-energy provider



Be a life enabler and customer partner by activating family and technical assistance services



Galp Energy – Gas & Power
Subscription Plans



Galp Fuel - Fuel Subscription Plan



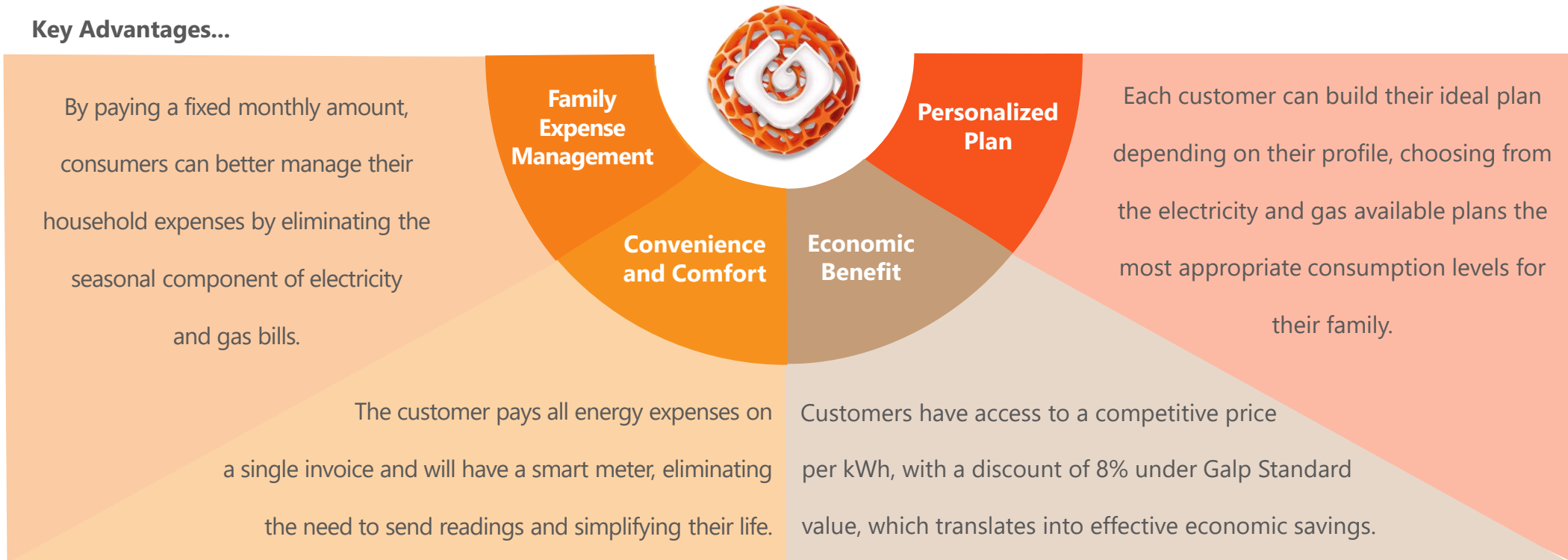
Complementary Services: Galp
Family and Home Assistance

Galp Energy gas & power service provides convenience, comfort and support in family expense management being a money saving opportunity

Galp Energy – Gas & Power

The Galp Energy offer allows consumers to subscribe to electricity and/or gas services by paying a fixed monthly amount. By joining Galp Energy, consumers can choose the most appropriate plan for their consumption. For each plan, a monthly consumption limit and a maximum power are set.



Key Advantages...



The different tariffs with distinct kWh limits and price points within Galp Energy allow customers to choose a package tailored to their consumption needs

Galp Energy Plans

Pricing: Taking the Galp's data base, clients were allocated to each tariff according to their yearly consumption level. The tariff's pricing was calculated for the monthly kWh consumption of percentile 75% of each tariff. The base price of electricity was 0.1460€/kWh (8% discount applied to the Galp Standard rate: 0.1587€/kWh) and for Gas 0.0565€/kWh (XS plans, S and M) and 0.0544€/kWh (plans L and XL) (8% discount applied to the Galp Standard rate: 0.0614€/kWh and 0.0591€/kWh, respectively).

	XXS	XS	S	M	L	XL	XXL
 Power	18€/month up to 60 kWh/month	34€/month up to 120 kWh/month	44€/month up to 175 kWh/month	54€/month up to 235 kWh/month	65€/month up to 295 kWh/month	82€/month up to 420 kWh/month	116€/month up to 590 kWh/month
 Gas	7€/month up to 65 kWh/month	10€/month up to 130 kWh/month	17€/month up to 200 kWh/month	24€/month up to 300 kWh/month	36€/month up to 450 kWh/month		

Terms and Conditions:

- 1. Maximum Powers per plan:** XXS up to 3.45kW; XS, S, M, L, XL up to 6.9kW; XXL up to 10.35kW.
- 2. Extra kWh price:** If the customer exceeds the monthly limit corresponding to his plan, an additional amount (Galp Standard) will be charged for the surplus consumed. Electricity: 0.1587€/kWh for each kWh consumed over the limit. Gas: 0.0565€/kWh (XS, S and M plans) and 0.0544€/kWh (L and XL plans) for each kWh consumed above the limit.
- 3. Cancellation:** In the event that the customer cancels the monthly fee subscription before the end of the contract, Galp will calculate the amount that should have been invoiced to the customer by the date of cancellation for the Galp Standard rate, and will charge the difference between that amount and what was paid by the Customer until the date of cancellation.
- 4. All prices include VAT and Taxes**

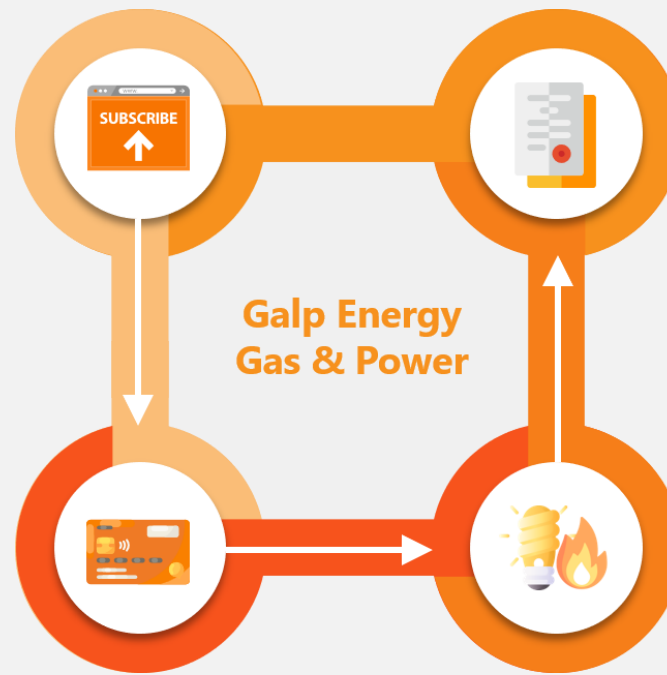
The Galp Energy customer can, at any time, change the subscription plan in order to always be the most appropriate to their needs

Galp Energy Customer Journey

Galp Energy is a subscription plan of electricity and/or gas services in which the consumer **pays a fixed monthly amount**. By joining Galp Energy, the client may choose the most appropriate tariff for their consumption. For each tariff, **a monthly consumption limit (in kwh) and a maximum power are set**.

1 Joining the plan | When the customer joins Galp Energy, they can select the electricity and/or gas tariff that best suits their consumption need. A monthly consumption limit is established for a fixed subscription fee. The customer can change its tariff at any time, if it is not appropriate.

2 Monthly Payments | At the beginning of each month the customer pays the Galp Energy tariff monthly fee on their invoice.



4 Renewal | At the end of the month, the contract is automatically renewed. If the customer exceeds the monthly limit of the tariff, they can upgrade the plan, paying the difference between the two or the extra fee for each kWh (Galp Standard rate).

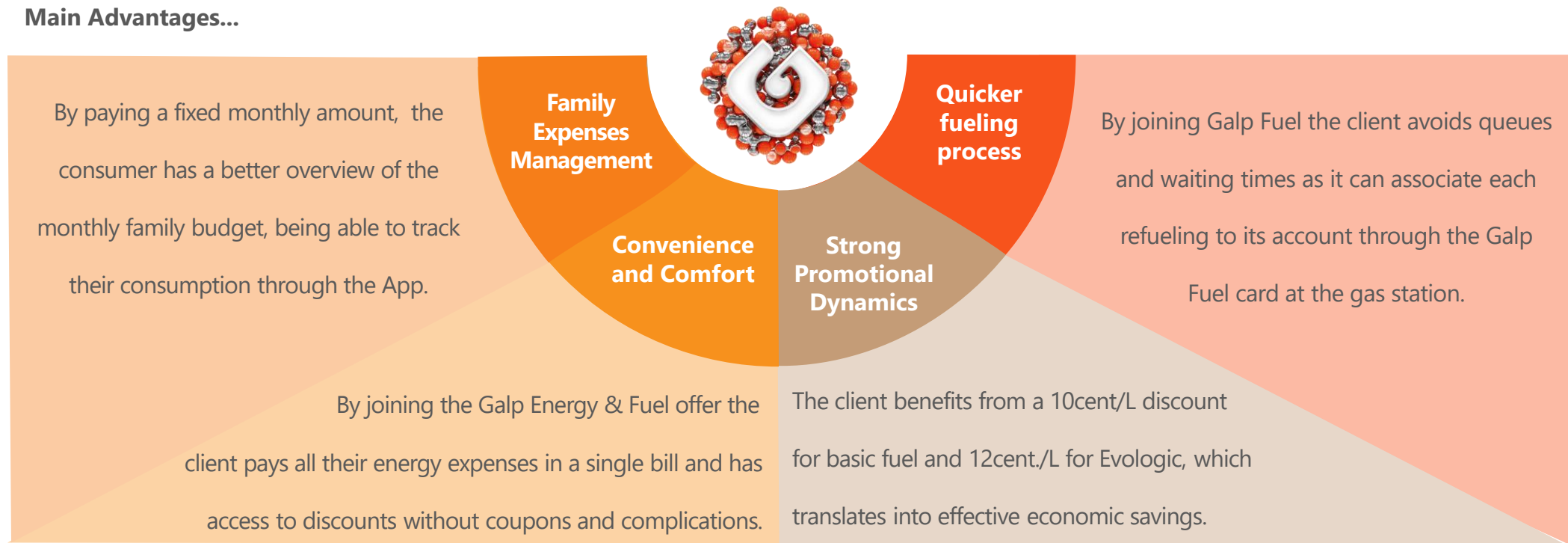
3 Use | After each month payment the customer is entitled to consume kWh within the limit of their tariff. The customer can change their plan at any time (through Galp's App), opting according to their needs.

The Galp Fuel plan allows customers to track their monthly expenses, enjoy exclusive discounts and avoid queues and waiting times at the gas station

Galp Fuel

Galp Fuel is a fuel subscription plan in which the client pays in the beginning of each month a fixed amount (in euros) set according to their fuel consumption needs. The plan allows the customer fill their car, avoiding queues and waiting times, **with a 10cent/L discount for basic fuel and 12cent/L for Evologic.**

Main Advantages...



The Galp Fuel plan allows customers to track their monthly expenses, enjoy exclusive discounts and avoid queues and waiting times at the gas station

Galp Fuel Customer Journey

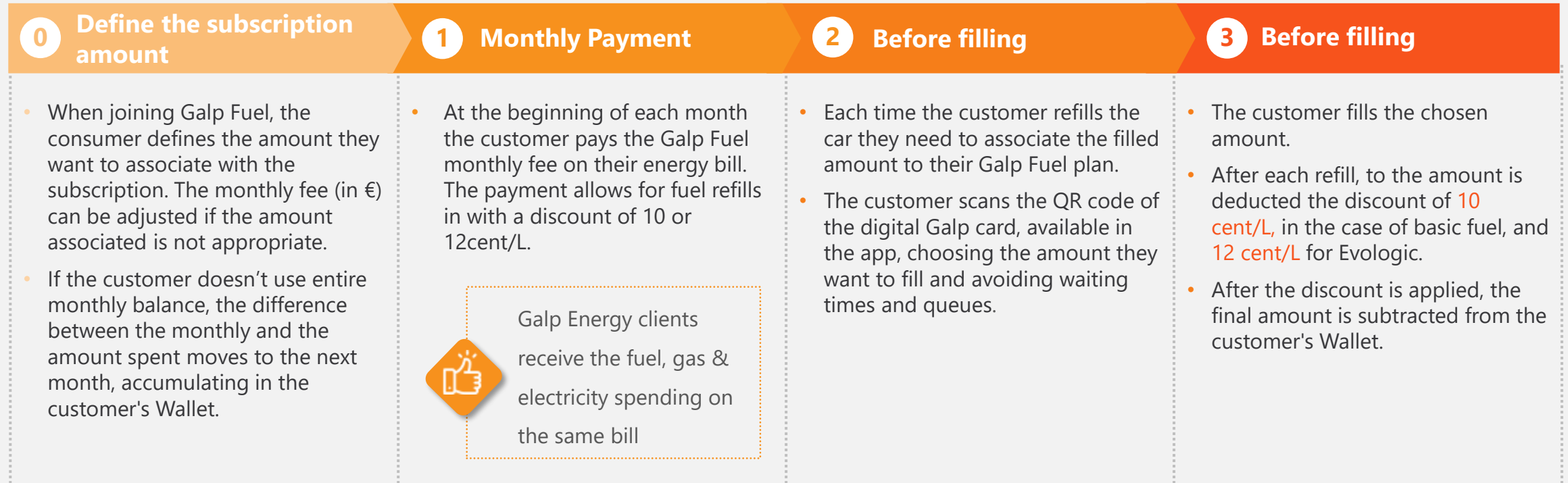


Table 14: Galp Fuel Customer Journey

Terms & Conditions:

- Cancellation Policy:** When cancelling the contract the customer has access to the accumulated amount for 15 days, after which they will lose that amount.
- If the Pay & Go option is not available at the gas station or in customer can go to the store.

With the help of valuable partners such as Multicare, Galp expands its ecosystem, supporting its client in different areas of their life

Galp should position itself as more than a service provider, being a partner that helps the day-to-day life of the consumer: assisting them in the areas of health and unforeseen events, such as domestic repairs. The following services comprehend the complementary offer:



HOME ASSISTANCE SERVICE

4.9€/month

Multi-Service 24/7 assistance¹ for heating, plumbing and electrical emergencies within the home, giving the client peace of mind. €500/year plafond that can be consumed on travel and labor, with a maximum of 3 trips per year.



FAMILY ASSISTANCE SERVICE

6.9€/month

Access to Multicare health insurance for the whole family, including:

Online medical services (medical appointments by phone or email, exams prescription and others); access to the Multicare network; home care services; hospitalization coverage; discounts on several products and services, including pharmacies; Exclusive conditions for mandatory car periodic inspection service.



ENERGY SUPPORT

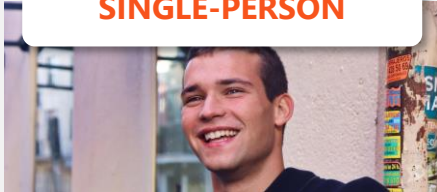
Free visit to the client's home to help reduce their energy consumption. The technician evaluates the efficiency of the equipment suggesting, if necessary, more efficient equipment and gives tips on how to save energy.

Galp Energy clients can enjoy several services from Galp's ecosystem by choosing from: electricity, gas, fuel and assistance plans the combination that best suit their family

Each client can add Galp Energy services that best suit their family needs from: electricity, gas, fuel, family and home assistance and pay the bills on a single bill. The tariff choice for electricity and gas depends, among other factors on the family's consumption habits, energy efficiency of the equipment, year of construction of the house.

Example:

SINGLE-PERSON



Manuel recently moved into his first home. He signed a contract with Galp for the services of Electricity and Gas.

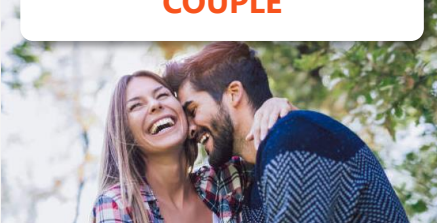
Electricity | Plan XS Galp Energy = 34€

Natural Gas | Plan S Galp Energy = 10€

Monthly Bill

44
€/month

COUPLE



Sofia and Miguel moved into a new apartment. They joined Galp Energy gas and electricity services, together with the 70€ Galp Fuel plan for their car.

Electricity | Plan XS Galp Energy = 34€

Natural Gas | Plan M Galp Energy = 17€

Fuel | Galp Fuel 1 Vehicle = 70€

121
€/month

COUPLE WITH 2 CHILDREN



Silva's family has a 100% electric house. They opted for the XL plan, Galp Fuel in the amount of 150€ for the 2 cars and joined the Family Assistance Service that supports health expenses.

Electricity | Plan XL Galp Energy = 82€

Fuel | Galp Fuel 2 Vehicles = 150€

Family Assistance Service = 6.9€

239
€/month

In order to reward clients that join Galp's entire value proposition, the Basic, Silver and Gold profiles are assigned according to the services contracted

In order to recompensate clients that join Galp's 3 energy offer (Electricity, Gas and Fuel), the Basic, Silver and Gold profiles are assigned depending on the services contracted. This way, customers perceive higher value in services integration. The main objective of **Galp Loyalty Profiles** is to have an activation tool of natural gas and fuel into Galp electricity customers.

Galp Loyalty Profiles

Services



**Galp
Basic**

1 service: Electricity or Gas or Fuel



**Galp
Silver**

2 services: Electricity & Gas or Electricity & Fuel



**Galp
Gold**

3 services: Electricity & Gas & Fuel or Electricity & Fuel (Mono)

Complementary Services

-

-

At least 1 service: Home Assistance or Family Assistance services

Galp Basic, Silver and Gold members have access to several advantages and benefits depending on their level of involvement with Galp. If the consumer joins more services their Galp Loyalty profile update will be done automatically, having immediate access to new benefits.

To the Basic, Silver or Gold customers profiles are associated different benefits and advantages according to their involvement level with Galp

Galp Basic, Silver and Gold members have access to several advantages and benefits depending on their level of involvement with Galp.

Galp Loyalty Benefits

Galp Loyalty Card

Each customer will have a different digital card depending on their Galp Loyalty profile to differentiate each user.

Periodic Inspection Natural Gas

Galp offers discounts on the mandatory natural gas inspection, helping the customer to comply with the legal requirement.

Energy Support Visit

Free visit to the client's home to reduce their energy consumption, evaluating the efficiency of the equipment and tips on how to save.

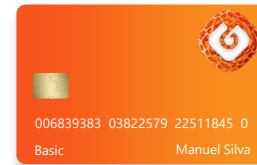
Galp Points

Rewarding customer loyalty, Galp implements the points system that can be exchanged for discounts and service advantages for every 400 accumulated points.

Basic Card



Galp Basic



1 € = 1 Point

Metal Silver Card



Galp Silver



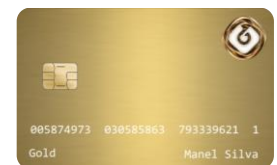
20% discount on Periodic Inspection

1 € = 1.5 Points

Metal Gold Card



Galp Gold



30% discount on Periodic Inspection



1 € = 2 Points

In the My Galp Loyalty area, the customer can check the accumulated points, win new prizes and activate their benefits and advantages

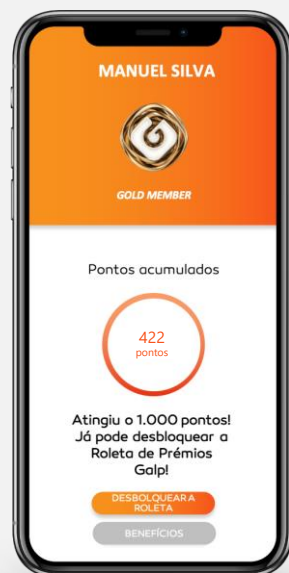
MY GALP LOYALTY

The client account, available on the Web & App, allows customers to access a range of advantages and benefits available in the My Galp Loyalty area. The Galp Loyalty platform creates an activation tool for natural gas & fuel Galp customers, boosting the electricity market growth.

Fuel – Galp Loyalty App Journey Examples:

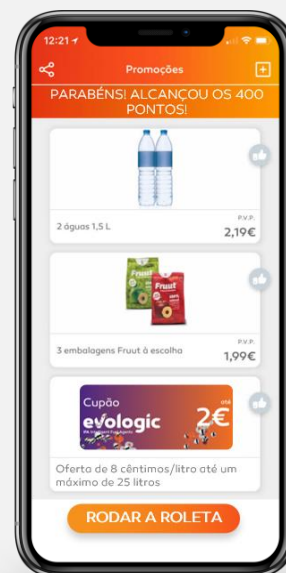


Notifications



The customer accumulates points for every euro they spend. They can visit their Galp loyalty to check the accumulated points. When they reach 400 points the client can unlock the Galp Energy prize wheel.

Purchase History



By spinning the prize roulette, the client will unlock any of the prizes available (eg.: discounts on Loja Tangerina products, fuel, etc.).




Benefits



The customer can also check the benefits associated with Galp Loyalty profile and activate it.

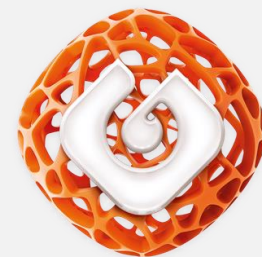
To reward the oldest and loyal customers Galp offers special benefits and perks for Basic, Silver and Gold customers

Client Perks

	Basic Card	Metal Silver Card	Metal Gold Card
	 Galp Basic	 Galp Silver	 Galp Gold
3€/month discount on LPG Refilling the LPG bottle	✓	✓	✓
Uber Eats 2 free deliveries per month & 12€ discount for first users	✓	✓	✓
Bolt 2.5€/month and 7.5€ credit for new users	✓	✓	✓
Free Revolut card shipping	✓	✓	✓
Movie tickets 2 free movie tickets per month		✓	✓
Loja Tangerina vouchers 15% discount on Loja Tangerina purchases			✓
Midas Exclusive advantages in Midas services.			✓

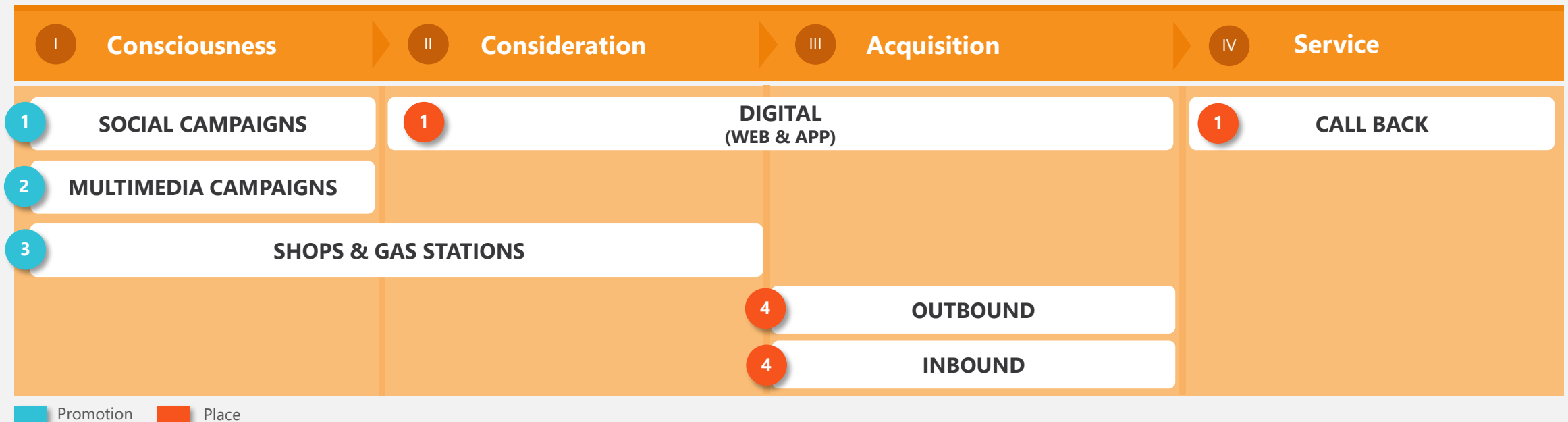


Implementation Plan: Galp Energy & Galp Fuel



Galp Energy relies mostly on the digital channel due to the technological drive inherent to the chosen customer target

The new integrated offer will be promoted using Galp's main resources. Therefore, as it is important to increase Galp's brand notoriety as an electricity provider, it is necessary to invest in multimedia campaigns, using the vast network of stores and gas stations and betting on strong social campaigns, due to the offer's digital component.



Customer acquisition will be carried out exclusively in digital (web & app) and telephone channels (outbound and inbound), due to the technological drive the target customer and digital dimension of the value proposition.

The following 3 key selling arguments must be present in the communication campaigns to better capture new clients

SELLING ARGUMENTS



Money Saving Opportunity | By joining Galp Energy the customer has access to a competitive price per kWh, with savings of up to 11% in electricity. In fuel, the client enjoys a strong promotional dynamic with a 10cent/L discount on basic fuel and 12cent./L in Evologic.

Digital | The strong digital component of the Galp Energy offer allows the simplification of processes, convenience, comfort and efficient communication with the energy provider.

Galp Energy Ecosystem | By joining Galp Energy the customer benefits from the integration all 3 energies and services, simplifying their day-to-day life.

The main objective of the "Eu sei" campaign is to strengthen Galp's position in the electricity market by positioning the company as a life enabler

1

SOCIAL CAMPAIGNS

RECOMMENDATION #1: Instagram, Facebook & Website | Target | Z & Millennial Generation¹

"Eu sei" Campaign



The "Eu sei" campaign was especially designed for the Z & Millennial Generation's, with the aim to help all consumers understand the key relevant concepts in the energy world.

OBJECTIVE

- Increase Galp's brand notoriety in the electricity & natural gas business;
- Increase the consumer's energy literacy, positioning Galp as a partner.
- Promote Galp's new value proposition.

ACTION/MESSAGE

Social Campaign

With the launch of the campaign "Eu sei" the goal will be to create buzz on social networks. Therefore, an ad campaign will be launched on social networks (with focus on Instagram and Facebook). The main content of the campaign will have teaser videos and images posted on Galp's Website.

Explanatory Videos

The main objective of the educational videos is to explain concepts of the energy market, for example, "how to read an electricity and gas bill" or "how to define the price of natural gas and electricity" and share energy saving tips. **The videos can be developed with well-known humorists of the Young audience** – Guilherme Geirinhas with "Coisas Chatas com Humor" on Youtube or Bumba na Fofinha with videos on Youtube, making the videos more appealing and fun. **The contents will be available on Galp's website for future consultation.**

Galp must promote its new energy offer in digital platforms through influencers, streaming platforms and member get member campaigns

1

SOCIAL CAMPAIGNS

RECOMMENDATION #2: Streaming Platforms & Social Networks | Target | New customers interested in Subscription Models.

Objective | Promote the new Galp Energy value proposition & customer acquisition for the new integrated offering

Action/Message

Streaming platforms



The advertising campaign of the new value proposition should be present in streaming platforms, Spotify and Youtube, since their customers are potential targets. This campaign should promote the Galp Energy value proposition highlighting the simplicity and convenience inherent in the value proposition, as well as the savings and additional benefits associated.

Influencers

In line with the current strategy of competitors, Galp must bet on an influencing campaign in order to promote the new value proposition. Considering Galp Energy strong digital component, Galp can establish partnerships with Portuguese Youtubers from the tech area such as Nuno Agonia and Bernardo Almeida.

Member get member

The influence of friends and family can be crucial to acquire new clients, which has been a strategy used by other players. In this sense a member get member campaign, in which a Galp Energy customer that attracts a new one will receive extra benefits may be interesting to explore.

Taking advantage of the Galp's current presence in sports and musical events, the company should seek to increase digital interaction and promoting the new offer

1

SOCIAL CAMPAIGNS

RECOMMENDATION #3: Social Media (Instagram) | Target | New customers

Sports Events & Music Festivals



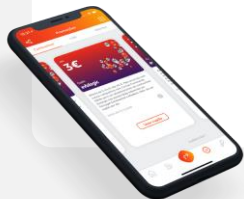
- Objective**
- Increase Galp brand notoriety as an electricity provider
 - Promote the new Galp Energy value proposition

Action/Message

In line with Galp's and its competitor's current strategy, there should be a strong focus on cultural and sports events. **In the case of music festivals, it is important to highlight that communication should focus on Galp Energia.** In galp stands, the public gets to know the Galp offer. Visitors can access a Photo Booth in which they take photos with their friends to remember and share them on social networks for a chance to win 3 months of free energy services.

RECOMMENDATION #4: Google, Facebook, Instagram & Linked-In | Target | New customers

Online campaigns



- Objective**
- Conquer new customers for Galp Energy
 - Increase Galp brand notoriety as an electricity provider

Action/Message

In line with the current strategy of its competitors, Galp should bet on a more aggressive digital campaign strategy, showing target audiences the new galp energy & galp fuel value proposition.

The multimedia and Galp fuel stations campaigns will be important to increase the notoriety of Galp as an electricity provider and in promoting the Galp Energy offer

2 MULTIMEDIA CAMPAIGNS

	Objective	Action/Message
Television	<ul style="list-style-type: none"> Increase Galp brand notoriety as an electricity provider 	Simultaneously with social campaigns, Galp should complement its campaigns with traditional media, in order to increase the brand's notoriety in the electricity sector, which will influence Galp Energy's customer.
Out of Home		The same campaign should be launched in "Out of Home" using billboards and Mupis in key locations of the city (e.g.: areas with large flow of people and waiting places).

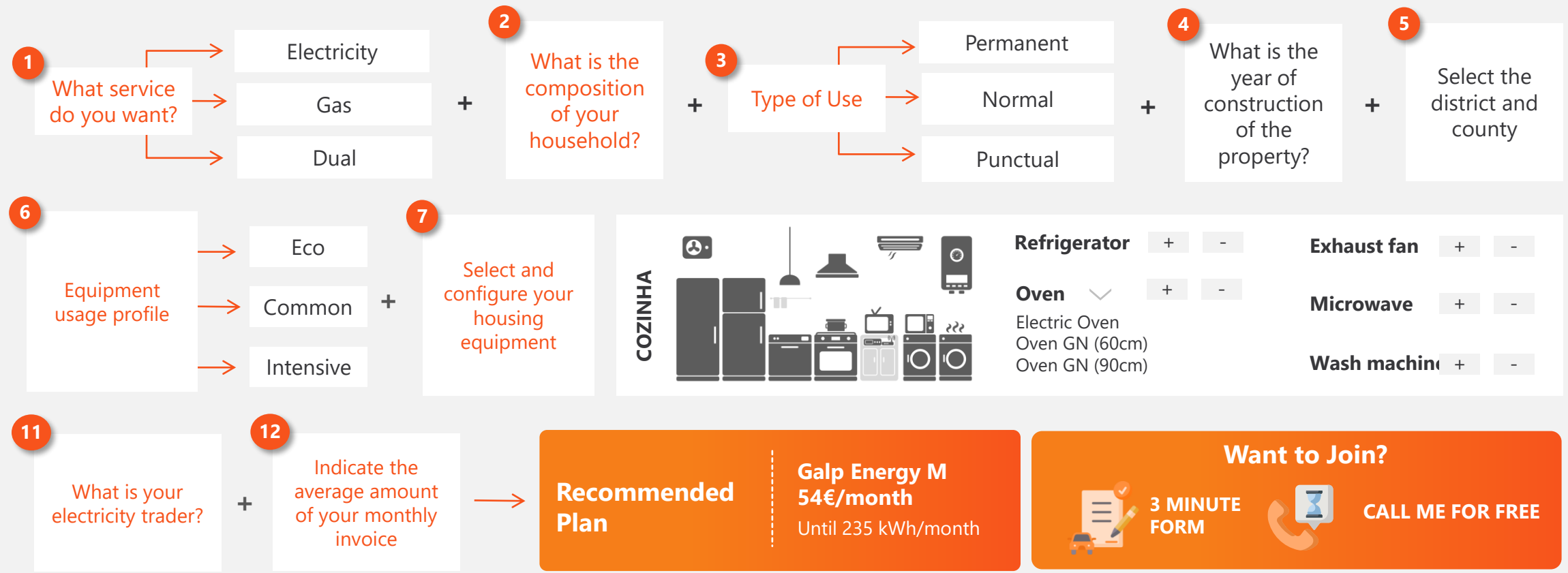
3 SHOPS & GAS STATIONS

Target | Current Galp Fuel & Natural Gas Customers

	Objective	Action/Message
Stores & Fuel Stations	<ul style="list-style-type: none"> Conquer new customers for Galp Energy Increase Galp brand notoriety as an electricity provider 	Galp's vast network of stores and gas stations are a valuable resource that must be leveraged in Galp's Energy campaign. Thus, posters and flyers should be used in the communication of Galp services. In gas stations, advertisements should be posted with the saying "Would you like to stop waiting in lines to pay? Join Galp Energy on the Galp Website" to compel people to join Galp Energy.

The simulator identifies the most appropriate Electricity and Gas plan for each customer's consumption, facilitating the process of choosing the subscription plan

1 SIMULATOR (Exclusive to Electricity and Gas)



Example

Considering the strong technological component of the value proposition and client web involvement, the main channel of communication with the provider will be digital

1

CUSTOMER SUPPORT | DIGITAL (APP & WEB)

Chatbox 24h

The client has access to a 24 hours chatbox to clarify doubts



Call Back

The customer can enter their cell phone number on the website or app and receive a free support call from a Galp technician, to avoid waiting times



Location of the nearest Fuel Station



Educational Content

In their personal account, the customer has access to educational videos that help with energy related tasks such as "how to read an invoice"

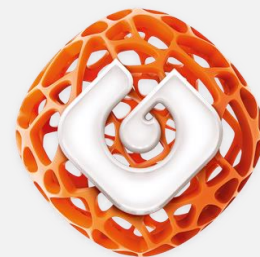


Taking into account the technological involvement of the client and the formulation of the value proposition, the main channel of communication with the provider will be digital.

In a disruptive and integrated approach, the customer can contact Galp through Chatbox or, if they wish would contact the operator directly asking them to call for free, ensuring comfort and convenience.



Financial Impact P&L



In the best case scenario, with an investment of €1M we anticipate the tripling of electricity's market share to 15.9%

The Galp Energy (Gas & Power) Project P&L was formulated considering 3 distinct scenarios - best case, base case and worst case. Depending on the different initial Galp investment, we anticipate different growth of Galp's market share in the Electricity and Gas market, and for a greater investment (€1.02M – best case scenario) we anticipate that Galp's market share will triple by 2025.

Galp Energy Gas & Power	Best Case	Base Case	Worst Case
Evolution of the Customer Portfolio	2021: 35K Clients 2025: 154k Clients	2021: 31K Clients 2025: 96k Clients	2021: 13K Clients 2025: 20k Clients
Galp Market Share Evolution (2025)	Natural Gas: 36.3% Power: 15.9%	Natural Gas: 30.2% Power: 10.1%	Natural Gas: 25.1% Power: 6.5%
Initial Investment	€1M	€700k	€500k
EBITDA (5th year)	€2.65M	€899k	€203k
Incremental NPV (5 years)	€1.02M	€36k	-€331k

Assumptions: Annual growth rate in the Power B2C Market: 3% (1st and 2nd year), 2% (3rd and 4th year), 1% (1st and 2nd year); The client acquisition for Galp Energy was forecasted using Naturgy's first 100 days contracts as a proxy. For confidentiality reasons Galp's margins and portfolio distribution were disguised with dummy values.

In the best case scenario, we anticipate that the market share in Fuel business will reach 28.3% in 2025 leveraged by the new additions to the Galp Energy proposal

The Galp Energy (Fuel) Project P&L was formulated taking into account 3 different scenarios - best case, base case and worst case connected with Galp Energy scenarios. The scenarios were formulated assuming a Galp Energy customer capture equal to galp market share in fuels.

Galp Energy Fuel	Best Case	Base Case	Worst Case
Evolution of the Customer Portfolio	2021: 10k Clients 2025: 45k Clients	2021: 9k Clients 2025: 31k Clients	2021: 4K Clients 2025: 7k Clients
Galp Market Share Evolution	2020: 27.8% 2025: 28.3%	2020: 27.8% 2025: 28.1%	2020: 27.8% 2025: 27.8%
EBITDA (5th year)	€1.01M	€694k	€154k
Incremental NPV (5 years)	€1.71M	€1.19M	€321k

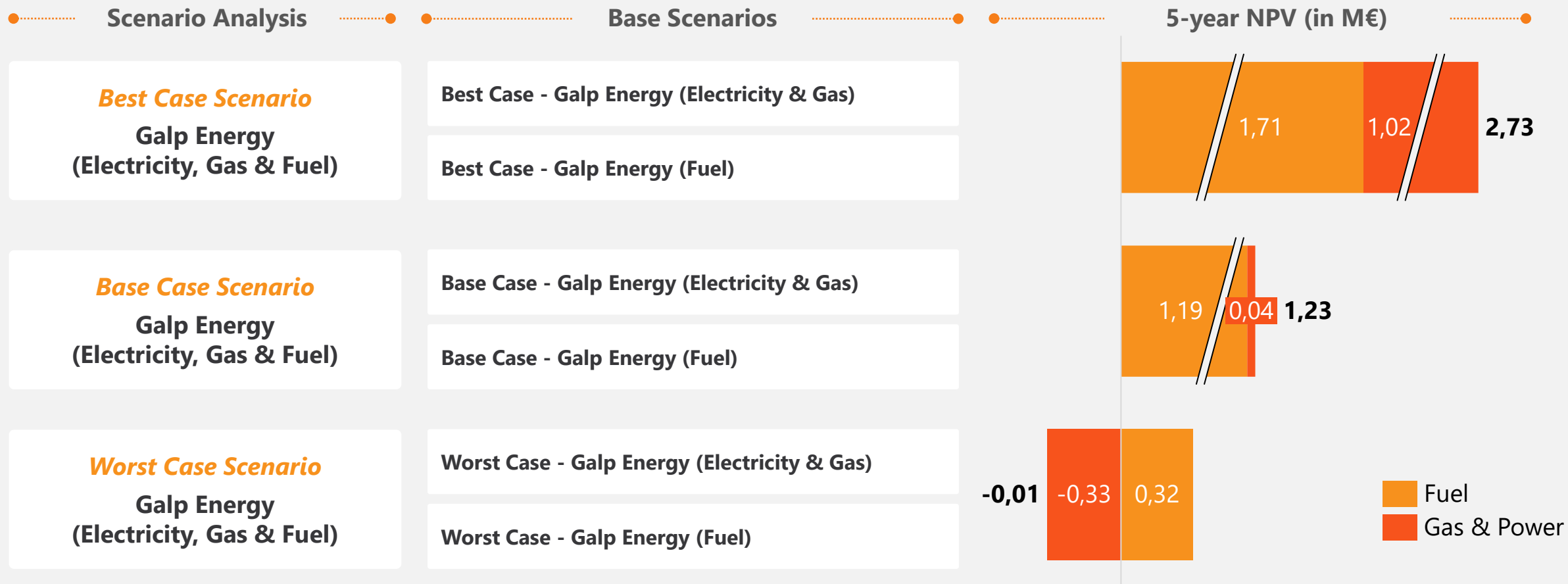
Assumptions:

- (1) **Growth Market Fuel B2C** | 0.01% Annual growth
- (2) **Average consumption per customer** | 660L/year
- (3) **Cannibalization rate** | 30%

Note: For confidentiality reasons Galp’s margins and portfolio distribution were disguised with dummy values.

By analyzing Galp Energy's proposal in an aggregate form we predict an incremental NPV of €2.73M in a best case scenario

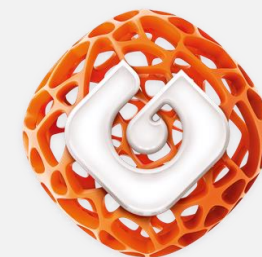
By combining the Gas & Power & Fuel dimensions, we can evaluate the aggregated NPV of the Galp Energy project.



Note: For confidentiality reasons Galp's margins and portfolio distribution were disguised with dummy values.



Risks, Limitations & Further Research



The time frame and limited information available represent the main challenges of this project, further research

Further Research, Risks and Study Limitations

Sample time-accuracy trade-off

Even though 28 in-depth interviews and 446 valid survey's responses were an excellent achievement in taking into account the limitations associated to the time frame. A wider time frame would enable to collect both more qualitative and quantitative data, resulting in a **larger** sample that would allow a higher level of representation of the Portuguese energy customers and, consequently, more accurate conclusions – with lower margins of error.

Galp Natural Gas Customers' Portfolio

The Natural Gas plans were estimated based on the **grouped data** from Galp's customer portfolio, as raw data was not available. **With detailed** customer portfolio data, we would be able to work on prices and consumption levels more accurately.

Further Research

Due to the time frame and limited information available, **further research can still be done** regarding the financial impact of the new Galp Energy and Galp Fuel offer in other different scenarios and perform a deeper research regarding the costs associated to the different communication channels and its impact on new contracts, leading to minimum Cost – Communication Efficiency trade-off. Moreover, it is also necessary to deeply study the operational side of the offer, mainly the systems and technical details. Further research should also be done on the legal side, in particular to establish the right way to bill the electricity and gas price per kWh and taxes.

**Consulting Lab for
Galp Energia:** Boosting
Galp's position in the
Portuguese Electricity
Market leveraging on its
powerful Ecosystem





References



References

- Accenture. 2015. "The New Energy Consumer: Unleashing Business Value in a Digital World.". Retrieved on 25th September from: https://www.accenture.com/_acnmedia/accenture/nextgen/insightunlocking-value-of-digital-consumer/pdf/accenture-new-energy-consumer-final.pdf
- ACAP. n.d. "Mercado Automóvel." Retrieved on 16th September from: <https://www.acap.pt/pt/noticia/104/mercado-automovel>
- BCG. "Digital Solutions for Retail & Energy Services". Retrieved on 1st October from: <https://www.bcg.com/industries/energy/center-digital-transformation-power-utilities/digital-solutions-for-retail-energy-services>
- BCG. 2018. "The Digital Energy Retailer." Retrieved on 1st October from: <https://www.bcg.com/publications/2018/digital-energy-retailer>
- Deloitte. 2019. "Energy-as-a-Service The Lights Are on. Is Anyone Home?". Retrieved on 28th September from: <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/energy-resources/deloitte-uk-energy-as-a-service-report-2019.pdf>
- Endesa. n.d. "Entrada No Mercado Liberalizado.". Retrieved on 15th September from: https://www.endesa.pt/particulares/quemsomos/Entrada_no_mercado_liberalizado.html
- Electric Choice. n.d. "Energy Deregulation Around the World: A Comprehensive Guide". Retrieved on 26th September from: <https://www.electricchoice.com/blog/energy-deregulation-world/>
- Erse. 2020. "COMPARAÇÃO PREÇOS ELETRICIDADE EUROSTAT." Retrieved on 16th September from: https://www.erse.pt/media/sd1fz3zl/boletim-eletricidade-eurostat_2020s1.pdf
- Erse. 2020. "COMPARAÇÃO PREÇOS GÁS NATURAL EUROSTAT." Retrieved on 16th September from: https://www.erse.pt/media/ta3pdeol/boletim-g%C3%A1s-eurostat_2020s1.pdf
- Erse. n.d. "Produção." Retrieved on 16th September from: <https://www.erse.pt/en/electricity/functioning-pt/producao/>
- Everis. 2019 "Tendências chave do consumidor de energia." n.d. Retrieved on 25th September from: https://energytrends.everis.com/informe/Informe_consumidor_2019_pt.pdf

References

- “Expresso. 2020. Covid-19: Famílias Ultrapassaram Indústria No Consumo de Eletricidade.” Retrieved on 15th September from: <https://expresso.pt/coronavirus/2020-05-20-Covid-19-Familias-ultrapassaram-industria-no-consumo-de-eletricidade>
- Galp.n.d. “Galp_PartI_IntegratedManagementReport_2019_PT.” Retrieved on 16th September from: https://www.galp.com/corp/Portals/0/Recursos/Investidores/SharedResources/Relatorios/PT/2019/Galp_PartI_IntegratedManagementReport_2019_PT.pdf
- García-Mariñoso, Begoña. 2008. “Bundling in Telecommunications *.”. Retrieved on 24th September from: <file:///Users/utilizador/Downloads/356.pdf>
- ²Kotler, Philip. and Gary, Armstrong. 2011. “Principles of Marketing” 14th edition. Pearson Prentice Hall.
- Kotler, Philip, and Keller, Kevin. (2012). Marketing management. 14th edition. Pearson.
- “Liberalisation of the Energy Market (Electricity and Gas) | Energy.” n.d. Accessed January 2. 2021. Retrieved on 10th September from: https://ec.europa.eu/energy/content/liberalisation-energy-market-electricity-and-gas_en
- McKinsey&Company. 2018.“The Digital Utility: New Challenges, Capabilities, and Opportunities.” Retrieved on 16th September from: <https://www.mckinsey.com/industries/electric-power-and-natural-gas/our-insights/the-digital-utility-new-opportunities-and-challenges>
- McKinsey&Company. 2020. “Electric Mobility after the Crisis: Why an Auto Slowdown Won’t Hurt EV Demand”. Retrieved on 19th from: <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/electric-mobility-after-the-crisis-why-an-auto-slowdown-wont-hurt-ev-demand>
- Monitor Deloitte. 2018. “Power Market Study 2030 A New Outlook for the Energy Industry.”. Retrieved on 24th September from: <https://www2.deloitte.com/content/dam/Deloitte/de/Documents/energy-resources/Deloitte-Power-Market-Study-2030-EN.pdf>
- Nadine Pahl, Anne Richter. 2009. Swot Analysis - Idea, Methodology and a Practical Approach. GRIN Verlag.
- Chesbrough, Henry. 2003. Open Innovation: The New Imperative for Creating and Profiting from Technology . Boston. Harvard Business School

References

- Portugal Energia. n.d. "Bloco 3 – Portugal Energia." Retrieved on 16th September from: <https://www.portugalenergia.pt/setor-energetico/bloco-3/>
- REN. "O Setor Do Gás Natural". Retrieved on 15th September from: https://www.ren.pt/pt-PT/o_que_fazemos/gas_natural/o_setor_do_gas_natural#5
- Saunders, M. N. K., Philip Lewis, and Adrian. Thornhill. 2007. Research Methods for Business Students. Financial Times/Prentice Hall.
- Trabish, Herman. 2018. "Business Models: What Utilities Can Learn from Amazon and Netflix about the Future of Ratemaking". Utility Dive. Retrieved on 5th November from: <https://www.utilitydive.com/news/business-models-what-utilities-can-learn-from-amazon-and-netflix-about-the/530415/>
- Zandoval Bonazzi, Fábio Luiz; Ari Zilber, Moises. 2014. Innovation and Business Model: a case study about integration of Innovation Funnel and Business Model Canvas. 16: 616-637. Retrieved on 15 September from: <https://www.redalyc.org/pdf/947/94732825006.pdf>



Appendix



A literature review, supported by several authors and strategic frameworks, was written in order to outline the project's methodology

Literature Review: A literature review, supported by several authors and strategic frameworks, was written in order to outline the project's methodology:

Diagnosis, Analysis and Recommendations.

I. Diagnosis	PESTLE	In order to understand which macroeconomic forces that impacted or may impact the company's future strategy, a PESTLE analysis can be conducted. This framework identifies the key Political, Economical, Social, Technological, Legal and Environmental factors that influence an organization ¹ .
	Five Forces of Competition	According to Hitt, Ireland and Hoskisson ² , besides understanding a company's general environment it is also crucial to comprehend its industry environment, as it may have "a more direct effect on the firm's strategic competitiveness and above-average returns". The attractiveness of the industry can be measured by the five forces of competition: the threats posed by new entrants, the power of suppliers, the power of buyers, product substitutes, and the intensity of rivalry among competitors.
	SWOT	According the book Marketing Management by Kotler, a company's strengths, weaknesses, opportunities, and threats is can be evaluated through a SWOT analysis, created by Albert Humphrey in the 60's. This framework goal is to monitor the external and internal marketing environment ³ .
	TOWS	TOWS Matrix by Heinz Wheihrich ⁴ will be performed as a complementary approach for the strategic planning and evaluation of the company's situation, the strengths and weaknesses of the company can be further explored to take advantage of the market opportunities and threats found.

Table 2: Literature Review (I/II)

Source: (1) Hitt, Ireland and Hoskisson (2009) – Strategic Management; (2) Kachru (2015) – Strategic Management: Concepts & Cases (3) Kotler and Keller (2012) - Marketing Management; (4) Nadine Pahl and Anne Richter (2009) – Swot Analysis: Idea, Methodology and a Practical Approach.

A literature review, supported by several authors and strategic frameworks, was written in order to outline the project's methodology

II. Analysis	Deductive Approach	The research followed a deductive reasoning defined by Robson in 2002. The author lists five sequential stages through which deductive research will progress: (i) deducing a hypothesis; (ii) expressing the hypothesis in operational terms; (iii) testing this operational hypothesis; (iv) examining the specific outcome of the inquiry; if necessary, (v) modifying the theory in the light of the findings ¹ .
	Mixed-method-research (Multiple Method)	The sequential mixed-method-research study uses quantitative and qualitative data collection methods and analysis procedures, but does not combine them. Quantitative and qualitative world views at the research methods stages, quantitative data is analysed quantitatively and qualitative data is analysed qualitatively ¹ .
	Selecting Samples	According to Saunders ¹ , population generalizations from data obtained using any probability sample are based on statistical probability. The larger the size of the sample, the lower the possible error in generalizing to the population. Therefore, probability sampling is a compromise between the accuracy of your results and the amount of time and money you spend gathering, testing and analysing the data. Under this compromise, the choice of the sample size is driven by: the confidence needed in the results, the margin of error that can be acceptable, the types of analyses to be chosen, the size of the total population from which the sample is taken and the types of studies chosen to undertake.
III. Recommendations	Open Innovation Paradigm	The Open Innovation Paradigm was developed by Chesbrough in 2003 and came to substitute the Closed Innovation Paradigm. "It means that valuable ideas can come from inside or outside the company and can go to market from inside or outside the company as well. This approach places external ideas and external paths to market on the same level of importance as that reserved for internal ideas and paths to market during the Closed Innovation era" ² .

Table 3: Literature Review (II/II)

The energy providers landscape is marked by the fierce competition between the incumbent, EDP, and the other market players: Endesa, Iberdrola, Goldenergy and Galp

Competitive Environment Analysis

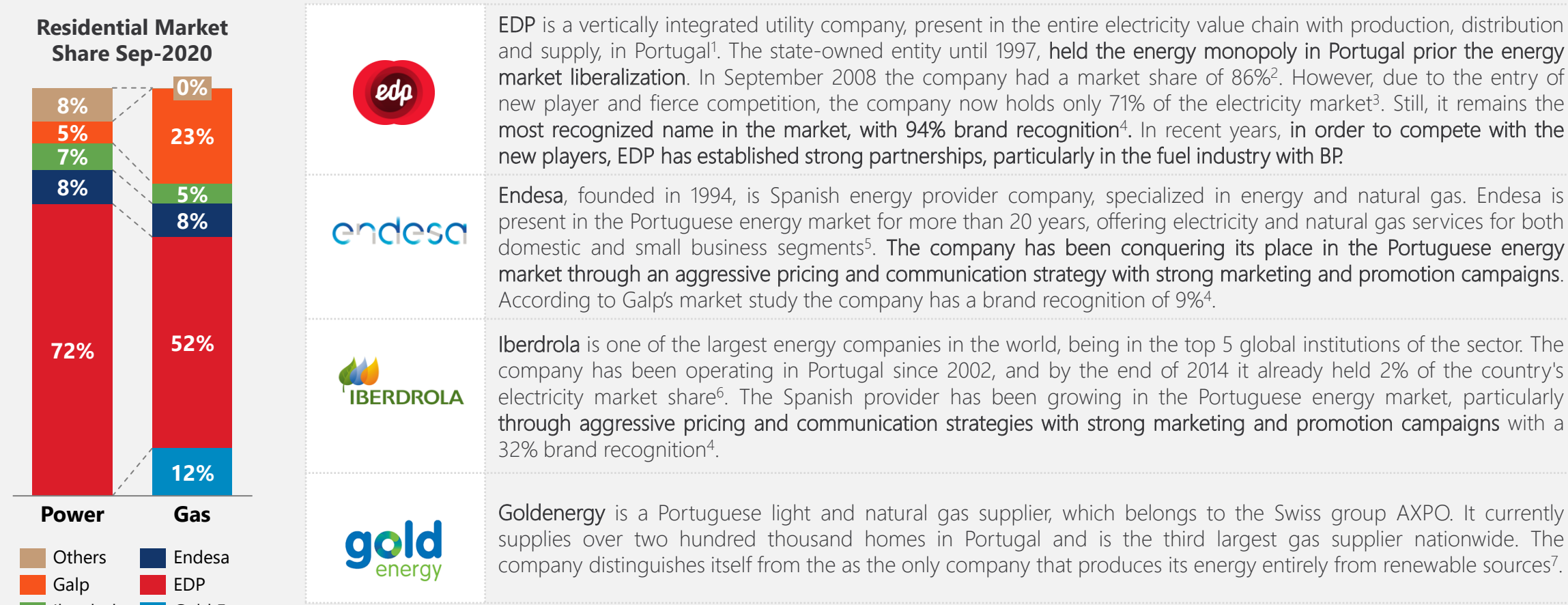


Table 8: Competitive Environment in Portugal

Source: (1) EDP; (2 & 3 & 6) ERSE; (4) Tracking de Marca Galp; (5) Endesa; (7) Gold Energy

Galp can leverage its powerful ecosystem and strong position in the fuel and natural gas market, to grow as a digital energy provider in the electricity market

TOWS Analysis



Strengths

- S1 – Only provider to offer 3 energies: electricity, natural gas and fuel.
- S2 – Strong position in the natural gas market, with 23% market share, with a strong customer base.
- S3 – Market leader in fuel, with 27% market share, high brand notoriety as high quality trusted brand.
- S4 – Biggest gas station network in Portugal.
- S5 – Strong partnership established with Sonae.

Weaknesses

- W1 – High price point in the fuel business reflected in the energy & gas segment.
- W2 – Weak position in the electricity market, with 5.3% market share, with low brand recognition.
- W3 – Highest price point in the market, selling undifferentiated goods.
- W4 – Low impact electricity & gas marketing campaigns.

Opportunities

- O1 – Gradual substitution of fuel vehicles by electric vehicles.
- O2 – Rising digitalization.
- O3 – Young generations, particular Gen Z's are signing their first electricity and/or natural gas contract.
- O4 – Strong housing market and establishment of new energy contracts.
- O5 – High dynamism of the Portuguese electricity market.

Strengths + Opportunities

- (S1 | O2 & O3) Galp can take advantage of its powerful ecosystem and develop a digital disruptive offer targeting, digital natives as younger generations.
- (S2 & S3 | O4 & O5) Galp can leverage its strong position in the fuel and natural gas market to grow its electricity business, capturing new customers.
- (S4 & S5 | O5) Established key channels to communicate new value proposition

Weaknesses + Opportunities

- (W2 | O4) – Investment in improving brand recognition in young generations.
- (W4 | O2) – Rising digitalization may increase opportunity for social marketing campaigns with lower required investment.

Threats

- T1 – Strong competition in the B2C segment.
- T2 – High price sensitivity.
- T3 – Micro-generation and energy decentralization trend.

Strengths + Threats

- (S1 & S2 & S3 | T1) Strong competition in the B2C segment can be diminished through service differentiation, possible due to Galp's unique ecosystem.

Weaknesses + Threats

- (W1 & W3 | T2) High consumer price sensitivity and Galp's highest market pricing point can decrease consumer demand
- (W4 | T1) The strong competition in the market requires higher investment in marketing campaigns

Table 12: TOWS Analysis

In the non-energy sector, the bundling and subscription models market dynamics are interesting to explore, in order to innovate Galp's current value proposition




Non-Energy Sector Benchmark

In the non-energy sector, the bundling and subscription model market dynamics, particularly in Telecom, Insurance, Streaming and Banking are interesting to explore, in order to innovate Galp's current value proposition.

	Product Bundling	Subscription Services
Telecoms	   	 
Insurance	  	
Streaming Platforms		    
Online Banking		  

 Studied in detail

Table 15: Non-Energy Sector Benchmark

	As the rest of the Telecoms in Portugal, NOS offers 4 services in integrated offer scheme: television, mobile phone, telephone and internet. The mix & match strategy allows the customer to combine the different types of service according to their profile type at a more competitive price.
	Farmers Insurance is one of the leading American insurers in the field of automobiles, homes and small businesses. The company stands out for creating a high value offer through bundles . Farmers provides up to 20% discounts for customers with a multi-line insurance (combination between auto, life or car insurance) and for people who associate more that one car our house insurance: multi-car or multi-house.
	Subscription models dominate content-creating companies: video and music streaming services, newspapers, magazines, and e-learning platforms. As the marginal cost is zero, this eases the subscription pricing strategy and decreases the risk to the company.
	For 12.99\$/month, Amazon Prime offers special benefits in Amazon: 2-day free delivery, access to prime video and Amazon music, exclusive discounts and unlimited access to e-books ¹ .
	The N26 is a German digital bank, that offers 3 subscription plans: Standard (0€/month), You (9.90€/month) and Metal (16.90€/month), with different customer support channels, plafond and other extras such as travel insurance ² .

Simplification is reflected in the desire to make life easier for the customer, which is enhanced by integrated business models

SIMPLIFYING...



SUBSCRIPTION PROCESS

- **52%** of the sample identified a website price **simulator in the top 3** attributes for satisfaction with an energy provider.
- **The quick and easy subscription process** has been selected for the **Top 3 46% of the time**.



CONTRACTS AND CONDITIONS

- **45%** of the population surveyed includes explicit **information about the characteristics of products and services and their conditions of access in the top 3** of their ranking of main attributes for satisfaction with an energy trader.
- **31%** of the population is unsatisfied with the **clarity and ease of interpretation of invoices** (above-average dissatisfaction for EDP clients).



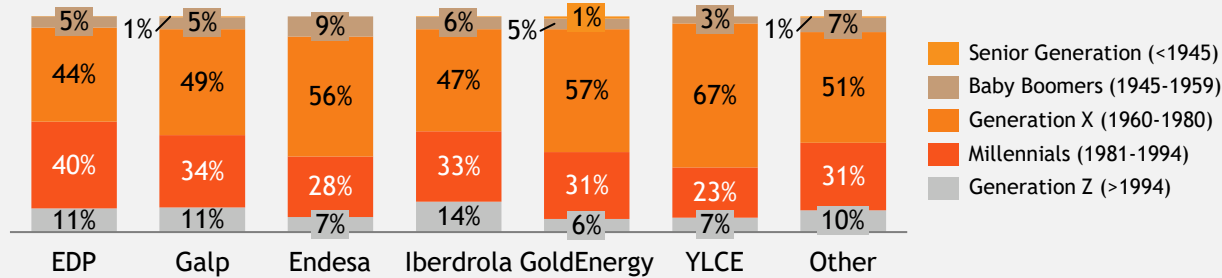
THE FORM OF COMMUNICATION

- The population not satisfied with the web channel due to the **difficulty in finding desired information** (35%) and **low clarity in the information contained in the site** (33%), this is above average for Galp customers (44% and 45%, respectively).

It is reflected in the desire to **make life easier for the client what can be enhanced by integrated business models**. Interactions are more efficient, the way to communicate clearer, and the subscription process becomes faster.

Transparency translates in brand trust, clarity of energy provider switching and contract conditions

Distribution of the customer portfolio of electricity providers by generation



Ranking of Key Attributes in the Electricity & Gas Provider Selection

	Generation X	Millennials	Generation Z	Total Population
#1	KWh price	KWh price	KWh price	KWh price
#2	Clarity of Conditions	Clarity of conditions	Ability to solve problems	Clarity of Conditions
#3	Ability to solve problems	Ability to solve problems	Clarity of Conditions	Ability to solve problems
#4	Promotion	Simple & transparent switching process	Simple & transparent switching process	Promotion
#5	Simple & transparent switching process	Promotion	Promotion	Simple & transparent switching process

Table 15: Ranking of Key Attributes in the Electricity & Gas Provider Selection

Source: (1) Tracking Gas & Power



CLARITY OF CONDITIONS

The clarity of conditions is considered, by 57% of respondents, very important in selecting the electricity & gas provider, being in the Top 5 ranking for all generations.



TRANSPARENT AND SIMPLE SWITCHING PROCESS

The simple and transparent change process is more valued by Galp, Endesa, Gold Energy and Iberdrola customers (above 50%), emerging as the 5th most important criterion for respondents.



TRUST IN THE BRAND

51% of respondents rate brand trust as a key criteria in their decision-making process. Also, EDP and Galp customers value this criteria above the market average.

An omnichannel strategy and smart technologies make the consumer experience more connected and drive energy savings



OMNICHANNEL

Consumers are looking for multiple channels of communication with businesses: from traditional to digital. The omnichannel strategy allows the customer to troubleshoot, access, and queries in any channel. EDP clients are the ones who value physical stores the most, as 39% of respondents considered it a key criteria in the decision-making process. On the other hand, a well-working phone channel and the possibility of subscribing the service on the internet are more valued by the customers of the other providers.



DIGITALIZATION

The possibility of performing all operations through digital platforms is considered very important to 38% of respondents. Being particularly relevant to Galp, Iberdrola, Endesa and Gold energy clients.



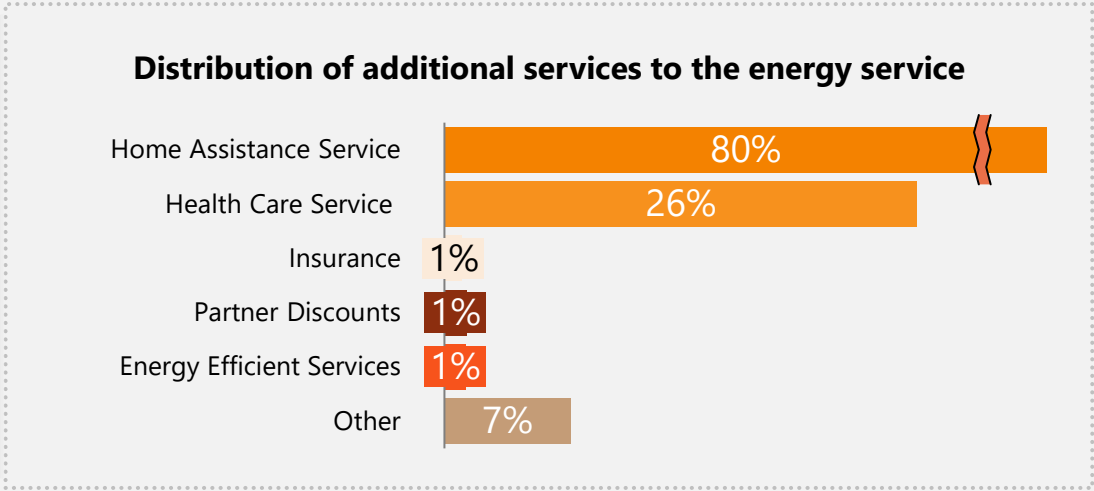
SMART TECHNOLOGY

The Portuguese consumer is increasingly looking for smart home and energy solutions in order to maximize comfort, convenience and energy efficiency and decreased energy consumption. Devices such as Amazon Echo and Google Nest Hub allow the client to view and control connected devices. Also, smart meters improve the customer journey by eliminating key hurdles.



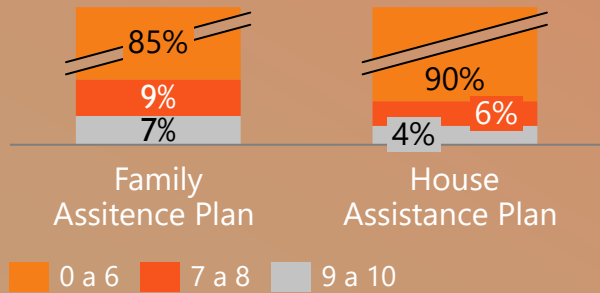
By increasing awareness of additional services through increased advertisement, Galp can be more than an energy provider and become a partner

15%
of energy consumers
have at least one
additional service in
the energy contract



According to ERSE, the number of contracts of electricity and natural gas with associated with additional services increased by 6% from 2019 to 2020, from 1.2M at the end of 2019, to 1.3M. In 5 years, contracts with additional services grew about five-fold, compared to about 200,000 of 2015.

Interest in owning the Family and Home Assistance Plans associated with the Energy Provider



REASONS FOR LOW INTEREST IN THE Home Assistance Plan

- 45% No need for this service
- 30% Already has multirisk housing insurance with these coverages
- 22% Has this need covered by another provider
- 20% Considers it an expensive plan



REASONS FOR LOW INTEREST IN THE Family Assistance Plan



- 44% Already have health insurance
- 37% No need for this service
- 22% Has this need covered by another provider
- 18% Considers it an expensive plan

Source: (1) Tracking Gas & Power 2020 (2) ERSE

By joining the Galp Energy, clients can benefit from significant savings in their electricity service of up to 156€/years compared to Galp Standard rate

Galp Energy Savings

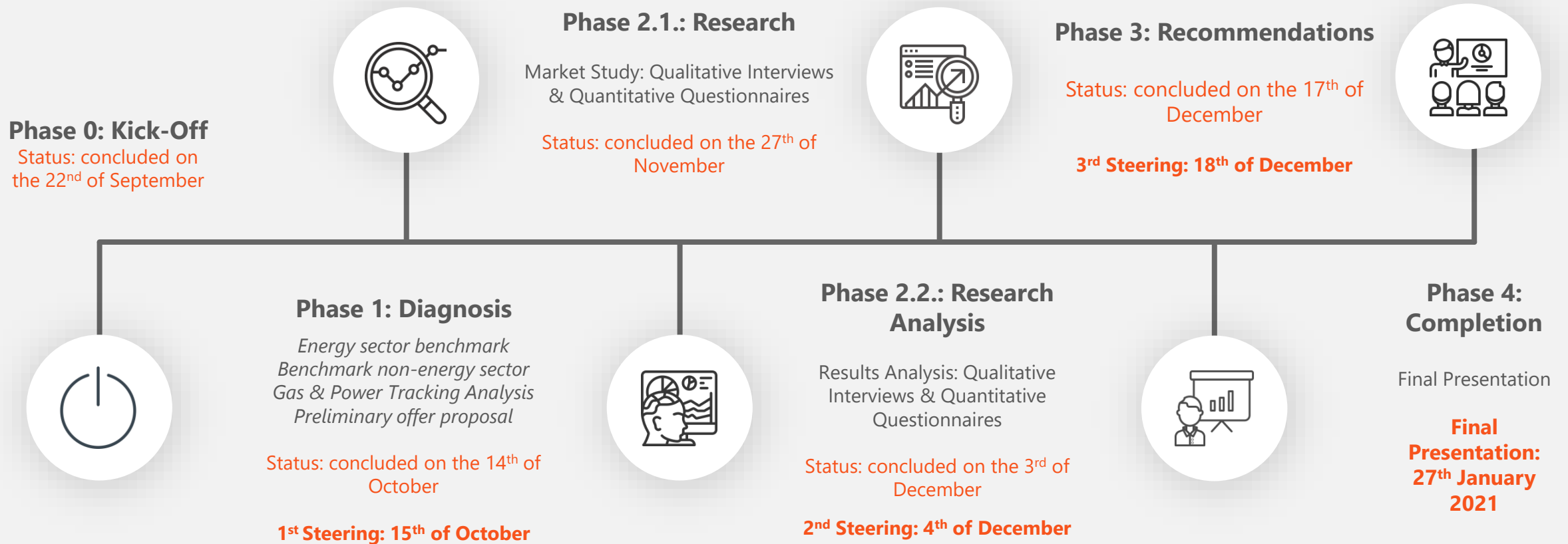
By joining to Galp Energy, the client enjoys from significant savings. The saving is originated in 2 different sources: first, the customer has access to a competitive price per kWh, with a discount of 8% under the value Galp Standard (0.1587€/kWh); second, as the tariff been formulated for the average monthly kWh in 75% percentile, the client who consumes the entire package, enjoys a higher discount. The table below shows the maximum savings amount per tariff:

	XXS	XS	S	M	L	XL	XXL
 Electricity Monthly Savings (€)	Up to 2€/month	Up to 2.5€/month	Up to 2.9€/month	Up to 3.4€/month	Up to 3.5€/month	Up to 9.2€/month	Up to 13€/month
 Electricity Monthly Savings (%)	Up to 11%	Up to 7.4%	Up to 6.6%	Up to 6.3%	Up to 5.4%	Up to 11%	Up to 11%

Terms and Conditions:

- Maximum Powers per plan:** XXS up to 3.45kW; XS, S, M, L, XL up to 6.9kW; XXL up to 10.35kW.
- Extra kWh price:** If the customer exceeds the monthly limit corresponding to his plan, an additional amount (Galp Standard) will be charged for the surplus consumed. Electricity: 0.1587€/kWh for each kWh consumed over the limit. Gas: 0.0565€/kWh (XS, S and M plans) and 0.0544€/kWh (L and XL plans) for each kWh consumed above the limit.
- All prices include VAT and Taxes**

Appendix 1 – Project Timeline



Appendix 4 – Quantitative Detailed Sample Overview

DISTRICT OF RESIDENCE



57%
LISBOA

24,2%
PORTO

18,8%
OTHER

DIMENSION OF THE LOCALITY OF RESIDENCE



7,7%
< 2.000 HABITANTS



27,7%
2.000 -10.000 HABITANTS



64,6%
> 10.000 HABITANTS

TYPE OF PROPERTY



69,4%
APARTAMENT



30,6%
HOUSE

HAVE YOU EVER SWITCH ENERGY PROVIDER?



40%
YES



60%
NO

FAMILY TYPE



7,8%
ONE
INDIVIDUAL



15,3%
INDIVIDUALS
WITHOUT ANY
MARITAL
RELATION



16,7%
COUPLE
WITHOUT
CHILDREN



51,5%
COUPLE WITH
CHILDREN



8,4%
ONE PARENT

Appendix 5 (I/III) – Naturgy Maintenance Services

SERVIGÁS	SERVIGÁS XPRESS	SERVIGÁS COMPLETE	SERVIGÁS COMPLETED HEATED	SERVIGÁS CONFORT
Annual Preventive Inspection ¹	✓	✓	✓	✓
Periodic Inspection every 5 Years	✓	✓	✓	✓
Urgent Repair (less than 3h) ²	✓	✓	✓	✓
Repair Warranty (6 months)	✓	✓	✓	✓
Assistance Service ³		✓	✓	✓
Smart Thermostat ⁴ (4-year warranty)				✓
	8.07€/month	9.37€/month	11.64€/month	16.67€/month

(1) **Annual Preventive Inspection** | Includes the review of the individual gas system, heating system (hydraulic circuit, boiler and radiators), boiler or heater, sanitary hot water producers and other household gas appliances.

(2) **Urgent Repair** | Includes the repair of malfunctions of the individual gas installation, heating system (hydraulic circuit, boiler and radiators), boiler and water heater.

(3) **Assistance Service** | Includes advice on the use, improvement or expansion of facilities covered by the contract, to achieve maximum safety and efficiency and, if necessary, travel to the Client's residence. The budget will be issued at no cost to the customer. Parts, labor and materials are not included.

(4) **Smart Thermostat** | The service includes the installation of the necessary devices for connection to the boiler and internet, as well as the settings of the thermostat and registration in the App. The service also includes reviewing the thermostat's annual operation and replacing its batteries every two years. Includes travel expenses, cost of labor used in repair, repair of malfunctions caused to the product due to poor installation.

Appendix 5 (II/III) – Naturgy Maintenance Services

SERVIELÉTRICO	SERVIELÉTRICO XPRESS	SERVIELÉTRICO COMPLETE
Urgent Electrical Repair (less than 3h) ¹	✓	✓
Assistance Service ²	✓	✓
Handyman Service ³	✓	✓
Annual Preventive Review ⁴		✓
Repair Warranty (6 months)	✓	✓
	4.79€/month	8.35€/month

(1) Urgent Electrical Repair | Repair of the refrigerator, freezer, air conditioner or heater when they do not work, or are underperforming. Dishwasher, washing and drying and oven when not working. Electrical installation, when there is no light at home, or at the freezer site.

(2) Assistance Service | Repair of refrigerator, dishwasher, washing machine, dryer, oven, glass ceramic plate and extractor, with brand service. Air conditioning equipment and heater. Switches, sockets and light points, as well as faults in the electrical installation of the house.

(3) Handyman Service | 2 hours of free labor with parts not included. Home visit from 8:00 am to 8:00 pm Monday to Friday (previously agreed) | Placing or changing sockets and switches when no manipulation of electrical cables is required. Placement or change of lamps. Installation of wall or ceiling lights, as long as there is no need to modify electrical cables. Installation of technological equipment such as TV, DVD, home cinema and computer equipment.

(4) Annual Preventive Review | Review of air conditioning equipment.

Appendix 5 (III/III) – Naturgy Maintenance Services

SERVICASA	SERVICASA
Urgent Repair (less than 3h) ¹	✓
Conventional Assistance ²	✓
Do-it-all Service ³	✓
Legal and computers Assistance ⁴	✓
Repair Warranty (6 months)	✓
	4.79€/month

OTHER PACKAGES

SERVICASA + SERVICIELÉTRICO XPRESS

9.58€/month

SERVICASA + SERVICIELÉTRICO XPRESS + SERVICÍAS XPRESS

17.65€/month

(1) Urgent Repair | Includes plumbing, locks and glasses.

(2) Conventional Assistance | Includes assistance services in: plumbing, locks, blinds, carpentry, masonry, metallurgy, antennae, painting, glasswork, contractors, roof repair, drains, alarms, computer equipment, enameled varnish, plasterer, cleaning (after work at home), carpenter and upholsterer.




(3) Handyman Service | includes 2 hours of free labor | Hang photographs, shelves, curtains, blinds, TV racks and mirrors, and put knobs. Fitting and/or fitting of furniture (Type "Ikea") of room, kitchen or other divisions of the home. Bathtub and glass seals. Carpentry services consisting of the placement of wheels in cabinets, adaptation of drawers, adjustment of doors and door frames. Placement of shower hoses.

(4) Legal and computers assistance | (i) telephone service with computer technician for computer problems with a maximum of 12 consultations per year. (ii) telephone service with legal counsel to clarify doubts related to commercial, civil and labor law, social security, consumer rights and tax advice. In addition, it will provide the client with the option of arson at a law firm throughout the territory of Spanish.

Appendix 6 – Naturgy Maintenance Services

SUPERPACKS

Superpacks are bundles of monthly tariff packages (Micro, Mini, Media and Maxi Light and Gas) and Maintenance Services (SVE & SVG).

		ELECTRICITY		ELECTRICITY & GAS		
Naturgy 		Electricity Standard	Electricity with Air Conditioning	Dual Air Conditioning	Dual Heating (Gas)	Dual Heating (Electricity/AC)
 Electricity		Mini 2.500 kWh/year	Media 4.000 kWh/year	Media 4.000 kWh/year	Mini 2.500 kWh/year	Media 4.000 kWh/year
 Gas		-	-	Micro 3.000 kWh/year	Maxi 5.500 kWh/year	Media 9.000 kWh/year
Electricity Maintenance		SVE Xpress	SVE Complet	SVE Complet	SVE Xpress	SVE Xpress
Gas Maintenance		-	-	SVG Xpress	SVG Complet with Heating	SVG Complet without heating
		49€/month	72€/month	100€/month	133€/month	133€/month
		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>60 €/month</p> <p>Without Superpack</p> </div> <div style="text-align: center;"> <p>11 €/month</p> <p>49 €/month</p> <p>With Superpack</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>79 €/month</p> <p>Without Superpack</p> </div> <div style="text-align: center;"> <p>11 €/month</p> <p>68 €/month</p> <p>With Superpack</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>147 €/month</p> <p>Without Superpack</p> </div> <div style="text-align: center;"> <p>13 €/month</p> <p>113 €/month</p> <p>With Superpack</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>108 €/month</p> <p>Without Superpack</p> </div> <div style="text-align: center;"> <p>12 €/month</p> <p>96 €/month</p> <p>With Superpack</p> </div> </div>	

 Savings

Appendix 7 – EcoEasy Tariff

ECO EASY TARIFF

EcoEasy rates charge variable prices depending on each customer's consumption, offering two simple tariffs - Electricity EcoEasy and Gas EcoEasy, a bi-hourly tariff – Night EcoEasy, and a tri-hourly tariff – Energy moving EcoEasy.



LUZ ECOEASY

Power: 57,233865€/kW year.
Energy: 0,134818€/kWh.



GÁS ECOEASY

Flat tariff: 11,66€/month.
Variable tariff: 0.053651€/kWh.



**LUZ & GÁS
ECO EASY**

Power: 57,233865€/kW year.
Energy: 0,134818€/kWh.
Flat tariff: 11,66€/month.
Variable tariff: 0.053651€/kWh.



**LUZ NOITE
ECO EASY**

Power: 57,233865€/kW year.
Day energy: 0.170048€/kWh.
Energy night: 0.085342€/kWh.




**LUZ MOVING
ECO EASY**

Power: 57,233865€/kW year.
Tip: 0.188363€/kWh.
Full: 0.107472€/kWh.
Empty: 0.084960€/kWh.

Notes:

- (1) The EcoEasy Energy Tariff is valid for 2.0A, 2.0 DHA and 2.0DHS, and contracted power ≤ 10 kW.
- (2) The Gas EcoEasy rate is valid for consumption up to 50,000 kWh/year).
- (3) Prices valid for ades until 15/10/2020


Appendix 8 – Naturgy Digital Channels



Naturgy


Digital Channels

Customer Support




Location of the nearest store, Phone contacts,
Online management of invoices, payments, accountant reading, etc.


24/7 Chatbox



Social media support¹



Naturgy Customers App





Online invoices and consumption consultation
Gas reading
Product and service contract
Chat
Access to discounts and promotions

¹Online support Monday to Saturday from 9:00 am to 11:00 pm
Source: Naturgy Spain

Appendix 9 – Enigaseluce Tariffs

enigaseluce

LINK TARIFF

	Simple Tariff ^{1&2}	Bi-hourly Tariff ^{1&2}	
		F1 ³	F23 ⁴
 Electricity	0,0525€/kWh First year: 0,0473€/ kWh	0,0563€/kWh First year: 0,0507€/kWh	0,0506€/kWh First year: 0,0455€/kWh
 Gas	0,18€/Smc First year: 0,162€/Smc	-	-

DISCOUNTS

- During the first year of service, Eni gas e luce applies a 10% discount on the price of electricity and gas.
- When you activate direct debit and the digital discount service at any time, the digital discount applies (10% additional).

PERTINÊNCIAS FLEXI

- Electricity offer dedicated to properties that use a separate meter: garage, basement, attic.

SAFE CHOICE

- 20% discount until the 31st of December 2021 on the price of electricity, set quarterly by the Energy Authority.
- 6 months of fixed payment from the 1st of January 2022 to 30th of June 2022 equal to the electricity price set by the Energy Authority for 3Q 2021.

Notes: (1) VAT and taxes not included. (2) Base tariff fixed for 24 months. (3) 8:00 a.m. to 7:00 p.m. Monday through Friday except holidays. (4) All hours of the year not included in the F1 band.
Source: Eni gas e luce

Appendix 10 – Enigaseluce & FastWeb

enigaseluce & FASTWEB

By simultaneously joining the Internet services FastWeb and Energy Enigaseluce (Link Tariff) the customer has access to the following cumulative discounts in the first 24 months of the contract:

1. 5€/month automatic discount on FastWeb service
2. 2,5€/month if you choose a gas supply plan
3. 2,5€/month if you choose a plan with electricity supply

All discounts are recognized on the FastWeb account invoice.

enigaseluce + FASTWEB	ELECTRICITY & GAS	ELECTRICITY OR GAS
Discount	10€/month Savings in 24 months: 240€	7.5€/month Savings in 24 months: 180€
Fastweb Account¹	24.95€/month instead of 34,95€	27.45€/month instead of 34.95€

DISCOUNTS



- In addition, from the 25th month the discount of €5/month will also be recognized, for a fixed price of €29.95/month instead of €34.95/month.
- During the first year of supply, Enigaseluce applies a 10% discount on the price of electricity and gas.

CANCELLATION | It is possible to exercise, at any time and at no cost, the right of withdrawal of the contract. In case of ending only one of the contracts (Enigaseluce or FastWeb), the partnership will no longer take effect and it will no longer be possible to take advantage of the discounts it provides, not yet used.

Appendix 11 – Enigaseluce Flexi Maintenance

Enigaseluce offers flexi gas or gas and electricity maintenance plan for €7.5/month for 2 years and with fixed light and gas tariffs during that period

Flexi Maintenance	
<ul style="list-style-type: none"> ✓ Keeps plant safe and efficient, reducing the risk of breakdowns 	<ul style="list-style-type: none"> ✓ Guarantees the launch of the Energy Efficiency Control report
<ul style="list-style-type: none"> ✓ Ensures the verification and cleaning of system components and control of fumes 	<ul style="list-style-type: none"> ✓ Launch if necessary, of the System Seal Verification Report
<p>Boiler Maintenance with 2 maintenance interventions in 24 months, one every 12 months</p>	
<p>Maintenance service is available for systems that are equal to or greater than 35 kW and gas-powered.</p>	
<p>7,5 €/month⁴</p>	

enigaseluce	Simple Tariff ^{1&2}	Tarifa bi horária ^{1&2}	
		F1 ³ :	F23 ⁴ :
 Luz	0,0789€/kWh	0,0845€/kWh	0,0761€/kWh
 Gás	0,219€/Smc	-	-

DISCOUNTS | When activating Direct Debit you will have an additional discount of 5%, valid until the renewal of economic conditions.

CANCELLATION | The customer may exercise, at any time and at no additional cost, the right of withdrawal

In case of cancellation of the supply before 24 months:

- If no maintenance has been provided, no additional amount will be charged;
- If the customer has only used the first maintenance intervention, only the residual amount of the remaining installments of the first 12 months will be charged in the last gas bill. If the customer has used both maintenance, the total amount of the remaining installments for the entire two-year period will be charged in the last gas bill.



Notes: ¹ VAT and taxes not included. ² Base fixed tariff for 24 months. ³ 8:00 a.m. to 7:00 p.m. Monday through Friday except holidays. ⁴ All hours of the year not included in the F1 band. ⁵ In the gas bill for 24 months.

Source: Enigaseluce

Appendix 12 – Enigaseluce Insurance Multi-Assistance Axa House

enigaseluce &



FLAT DISCOUNT	Simple Tariff ^{1&2}	Tarifa bi-horária ^{1&2}	
		F1 ³	F23 ⁴
 Electricity	0,0799 €/kWh from the 2nd to the 12th month: 0,0759€/kWh	0,0856€/kWh from the 2nd to the 12th month: 0,0813€/kWh	0,0770€/kWh from the 2nd to the 12th month: 0,0732€/kWh
 Gas	0,299€/Smc from the 2nd to the 12th month: 0,2176€/Smc	-	-

DISCOUNTS

- 5% discount on gas and electricity expenses from the 2nd to the 12th month and 10% from the 2nd year.
- When activating Direct Debit you will have an additional discount of 5%, valid until the renewal of economic conditions.

CANCELLATION | It is possible to exercise, at any time and at no cost, the right of withdrawal of the contract. In the event of termination of a single supply (Certain Gas Discount or Certain Electricity Discount), insurance coverage relating to the remaining active supply will remain active.

- (1) AXA Insurance Partnership** | by signing the Flat Discount plan the customer has free insurance coverage under the Multi-Axa House Partners Support Policy (Inter Partner Assistance SA) through which any domestic incident is protected on any day with validity covered by the insurance.
- (2) AXA Partner Technician Network** | for the resolution of residential breakdowns a total of 2 times during each year of validity of the insurance coverage.
- (3) Subscription Plan Flat Discount Gas and Flat Discount Electricity** | the customer will be able to benefit from insurance coverage for each activated supply and therefore the benefits are doubled.
- (4) Telephone Assistance 24/7** | contact with a qualified technician depending on the type of intervention required.
- (5) Voucher 48€** | including VAT, to spend on the maintenance of boilers and water heaters. Not cumulative with other maintenance promotions and is valid for 3 months from the date of issue indicated in the maintenance voucher transmission email.

Appendix 13 – Enigaseluce Boiler

enigaseluce

	ELECTRIC BOILER		GAS BOILER	
	NOPROBLEMA MAINTENESS	NOPROBLEMA PREMIUM MAINTENESS	NOPROBLEMA MAINTENESS	NOPROBLEMA PREMIUM MAINTENESS
1 scheduled intervention in 2 years ¹	✓	✓	✓	✓
1 free multiple assistance policy from Axa Assistance ²	✓	✓	✓	✓
1 damage repair intervention per year, during 2 years ³	✗	✓	✗	✓
Quick assistance from technicians selected by Enigaseluce in case of failure ⁴	✓	✓	✓	✓
	8,9€/month	12,9€/month	5,5€/month	12,9€/month

(1) **1 scheduled intervention in 2 years** | The service can be activated for boilers with power ≤ 35 kW.

(2) **Conventional Assistance** | Repairs of refrigerator, dishwasher, washing machine, dryer, oven, glass ceramic plate and extractor, with brand assistance. Air conditioning equipment and heater. Switches, sockets and light points, as well as faults in the electrical installation of the house.

(3) **1 damage repair intervention per year during 2 years** | With costs supported by Enigaseluce up to a maximum of:
300 € (without VAT) for spare parts;
200 € (without VAT) for production and labor.

(4) **Fast shipment of technicians selected by Enigaseluce in case of failure** | Costs with interventions in case of breakdowns and overtime payable by the customer.

Appendix 14 – Shell Energy Broadband

SHELL BROADBAND

Loyalty plans	Broadband plan (1)	Price (2)	Monthly Discount on Shell Energy Invoice (3)
12 months	Fast Broadband	23.99£	4£
	Superfast Fibre	31.99£	2£
	Superfast Fibre Plus	36.99£	7£
18 months	Fast Broadband	21.99£	4£
	Superfast Fibre	30.99£	3£
	Superfast Fibre Plus	35.99£	8£
	Ultrafast Fibre	39.99£	7£
	Ultrafast Fibre Plus	44.99£	7£



(1) Shell Fuel Discounts | Shell Broadband customers are entitled to an exclusive 3% discount on 60 liters of fuel per month not cumulative with Shell Energy discount.

(2) Price with Electronic Invoice | The paper invoice request will have an extra £1/month.

(3) Shell Energy Invoice Discounts | Consumers who have a contract with Shell Energy will have a discount on the invoice of the amount indicated. If the Broadband Product has been purchased during a period when there is a promotional offer, the customer will pay the lowest price: or the price after discount or the price with the promotional offer.

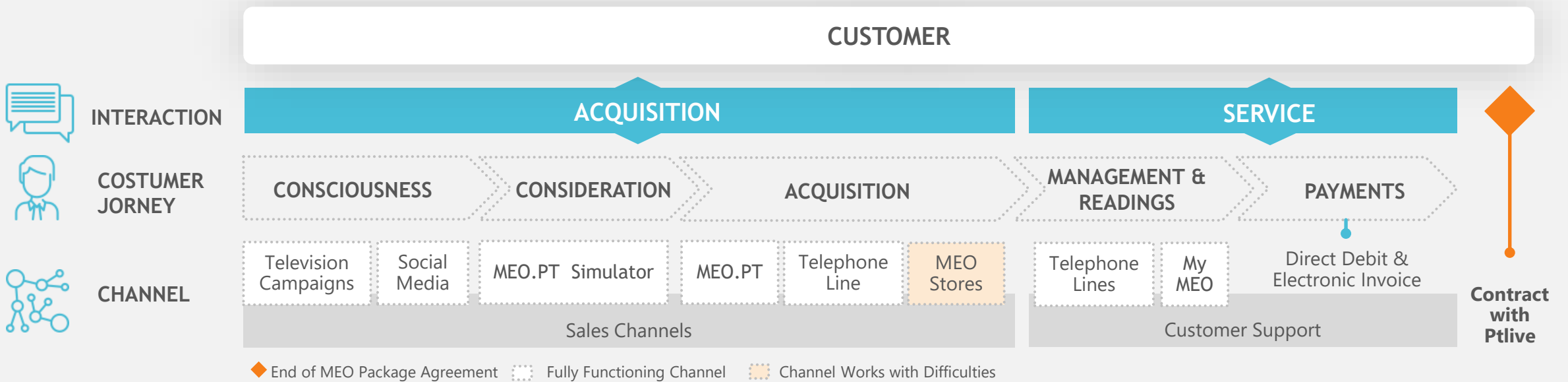
Appendix 15 – MEO ENERGIA



Offer

- **MEO ENERGY PLAN BY PT LIVE** | Simple and bi-hourly rate (power up to 20.7 kVA). For higher powers tri-hourly rate.
- 100% Green Energy.
- **2x More Mobile Internet on all MEO cards.**

CUSTOMER JOURNEY



Appendix 16 – NOS



Like the rest of the Telecoms in Portugal, NOS offers 4 services in integrated offer scheme: television, mobile phone, telephone and internet. Presenting a simple and valuable proposal to the client.

Offer

The mix & match strategy allows the customer to combine the different types of service according to their profile type at a more competitive price:

- Mobile phone Packages
- Apple TV Package
- TV + Net Voice
- Net

ADVANTAGES AND ADDITIONAL SERVICES

- NOS Card - 2 tickets for the price of 1;
- NOS-Wifi - Internet hotspot available nationwide
- Points system that can be exchanged for NOS Store products
- Partner Discounts
- Hardware rental
- Referral System with Advantages

The screenshot displays the NOS website interface with the following elements:

- Navigation Bar:** Destaque, Pacotes Apple TV (selected), Pacotes com telemóvel, TV + Net + Voz, Net, Outros.
- Filters:** Fibra, Satélite.
- Header:** Novos pacotes com Apple TV adira já por apenas +€4,99. Saber mais >
- Package 1 (NOS 3):** Aderir online, €29,99/mês.
- Package 2 (NOS 3):** Aderir online, €36,99/mês (crossed out), €34,99/mês. Includes: Desconto €2/mês, 1 mensalidade, Power Wi-Fi M, TV 32" por €39,99, Desconto €90 portátil.
- Package 3 (NOS 4):** Aderir online, €51,99/mês (crossed out), €49,99/mês. Includes: Desconto €2/mês, 1 mensalidade, Power Wi-Fi L, TV 32" €159,99, Desconto €130 portátil.
- Package 4 (NOS 4 - Recomendado):** Aderir online, €54,99/mês (crossed out), €52,99/mês. Includes: Desconto €2/mês, 1 mensalidade, Power Wi-Fi L, TV 32" €159,99, Desconto €130 portátil, Samsung A21s €209,99.

Appendix 17 – Farmer’s Insurance



Farmers Insurance is one of the leading American insurance companies in the field of automobiles, homes and small businesses. The company stands out for creating a proposal of high value to the client for its integrated offer through bundles.

BUNDLE + SAVE ON QUALITY INSURANCE

Get up to 20%* off Auto and Home.
Call [1-800-974-6755](tel:1-800-974-6755).

Auto

Home

Life

Business

Renters

Condo

[Retrieve a saved quote](#)

Offer

MULTI-LINE DISCOUNT

Bundles that include different types of Insurance

Home

+

Life

Home

+

Car

MULTI-CAR OR MULTI-HOUSE DISCOUNT

Bundles for those who associate more than one car or house with Farmers.

ADDITIONAL DISCOUNTS

- Use of the app
- Employed in partner companies
- Distance student
- Responsible driver
- Electronic payment
- Single payment
- Student of merit

Appendix 18 – Streaming Platforms

Subscription models predominate in content-creating companies such as video and music streaming services, newspapers, magazines, and e-learning platforms. Thus, the variable price associated with consumption by the customer is zero, which facilitates the subscription pricing strategy and decreases the risk to the company.

NETFLIX

Netflix is a subscription streaming service that lets you watch unlimited series and movies on your computer, phone, TV and tablet. Each client chooses the plan that best suits their needs:

	BASE 7.99€	STANDARD 10.99€	PREMIUM 13.99€
Unlimited series and movies	✓	✓	✓
HD available		✓	✓
Ultra HD available			✓
Simultaneous Displays	1	2	4

amazonPrime

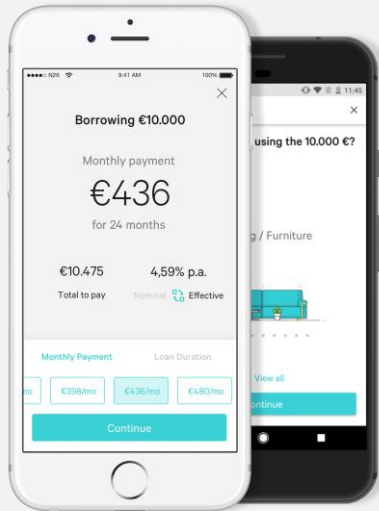
Amazon Prime is an integrated offer of various services and benefits that uses as a pricing strategy a subscription model.

The annual payment of \$119 or monthly of \$12.99/month gives you access to:

- **Free 2-day delivery of Amazon Store products**
- **Prime video: streaming platform for movies and series (with Amazon Originals content)**
- **Amazon Music: music streaming platform**
- **Amazon store benefits (e.g.: Amazon card, exclusive discounts, exclusive offers)**
- **Unlimited access to e-books**

Appendix 19 (I/II) – N26

N26



Nominal interest rate: 4.50% p.a.

German digital bank offers 3 subscription models (standard, you, metal)

You and Metal Customer have access to Travel and Lifestyle Insurance



		N26 Standard 0€/month	N26 You 9.90€/month	N26 Metal 16.90€/month
Bank Account	Card	Transparent	Colorful	Metal
	Contactless technology, Apple & Google Pay	✓	✓	✓
	Free worldwide payments	4	2	1
Extras	Free Eurozone withdrawals	3	5	10
	Sub-accounts	2	10	10
	Shared sub-accounts		✓	✓
	Partner discounts		✓	✓
	Exclusive experiences			✓
	Chatbox 24/7	✓	✓	✓
Customer Support	App Livechat	✓	✓	✓
	N26 Metal Helpline			✓
	Account security (Deposit protection; 3D Secure; Authentication 2 steps)	✓	✓	✓

Appendix 19 (II/II) – N26

LIFESTYLE AND TRAVEL INSURANCE

N26		N26 Standard 0€/Month	N26 You 9.90€/Month	N26 Metal 16.90€/Month
Lifestyle Insurance	Mobility Insurance		✓	✓
	Winter Sports Insurance		✓	✓
	Car Rental Insurance		✓	✓
	Mobile Insurance		✓	✓
Travel Insurance	Travel Health Insurance		✓	✓
	Travel Insurance		✓	✓
	Flight Delay Insurance			✓
	Baggage Insurance			✓

- (1) **Mobility Insurance** | Coverage of damages up to 20,000€ in car-sharing vehicles, e-scooter and e-bikes.
- (2) **Travel Medical Insurance** | The client has a plafom up to €1,000,000 for himself/her partner and their children in case of emergencies. Includes dental emergencies.
- (3) **Travel Insurance** | Compensation of 10,000€ in case of cancellation of a trip or restriction of travel if the event is covered.
- (4) **Winter Sports Insurance** | Coverage on mountain trips in case of accidents.
- (5) **Car Rental Insurance** | Compensation up to 20,00€ for car rental outside the place of residence
- (6) **Flight Insurance** | Compensation of 10,000€ in cancellation of a trip or restriction of travel if the event is covered.
- (7) **Baggage Insurance** | Compensation up to €500 for baggage delivery delays (>12h) and up to €2,000 in case of loss.
- (8) **Mobile Insurance** | Compensation up to €1,000 for theft or breakdown if the event and phone are eligible.

Appendix 20 (I/X) – Qualitative Study Results and Conclusions

Strategic Assumptions...

Offer Simplicity

Supported by the Naturgy Benchmark, the number of Electricity and/or Gas subscription plans should be reduced in order to improve the understanding of the offer and simplify the support process.

Amplitude of the plan consumption intervals

The different plans should have a high amplitude to allow customers to exceed their consumption without being penalized, creating a perception of greater value.

Statistical Assumptions...

80% Percentile



In order to guarantee the margins for Galp the plans were formulated for the 80% percentile, with the base kWh price being the Standard Galp value (0.1587€/kWh)

Normal Distribution of Customers by Plans

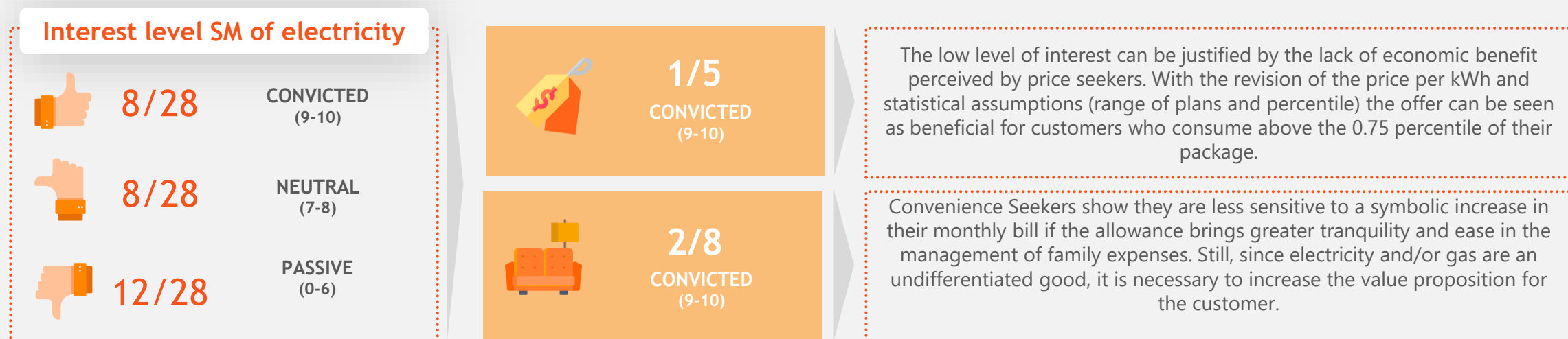
Based on Galp's customer portfolio, the plans were formulated based on the normal distribution of customers. Thus, the Mini, Media and Maxi plans accounted for 74% of the customer portfolio.



Preliminary Proposal for Formulation and Pricing of Electricity and/or Gas Subscription Model

	Micro	Mini	Media	Maxi	Extra
 Electricity	25€/month up to 1,000 kWh/year	45€/month up to 2,000 kWh/year	65€/month up to 3,500 kWh/year	85€/month up to 5,500 kWh/year	125€/month up to 7,000 kWh/year
 Gas	6€/month up to 800 kWh/year	9€/month up to 1,600 kWh/year	15€/month up to 2,400 kWh/year	21€/month up to 3,600 kWh/year	32€/month up to 5,400 kWh/year

Appendix 20 (II/X)– Qualitative Study Results and Conclusions



“ I find the plan very interesting, but I need to understand what happens when I use more than the established limit. If the extra kWh value works as a fine, I'm no longer interested.

Manuel, Geração X

I would only joint the plan, after calculating my annual consumption, I had a clear savings.

Ricardo, Geração Babby Boom

There is no plan suitable for my consumption. It makes no sense to pay so much more for something I will not consume, since if I consume more than the limit I have to pay the excess, but if I consume less they do not return the money.

Maria, Millennial

Many interviewees did not identify a plan appropriate to their consumption. Therefore, a review and alteration of strategic and statistical assumptions was necessary.

Appendix 20 (III/X)– Qualitative Study Results and Conclusions

Strategic Assumptions...

Amplitude of the Plan Consumption intervals

The different plans should have a **low amplitude to allow customers to perceive the value** of the Electricity and Gas subscription offer, increasing its predisposition to change.

Offer simplicity

The number of Electricity and/or Gas subscription plans should be increased when compared with Naturgy benchmark in order to be better aligned with the consumption profile of each consumer.

Energy supplier as a Life Enabler

The supplier is present in the day-to-day of the client, assisting him in the use of energy responsibly. The value of the extra kWh may not be much higher than the market average so it is not perceived as a fine.

Statistical Assumptions...

75% Percentile

In order to guarantee the margins at the same time that Galp maintains a competitive offer the plans were formulated for the 75% percentile, based on the Standard Galp value (0.1587€/kWh)

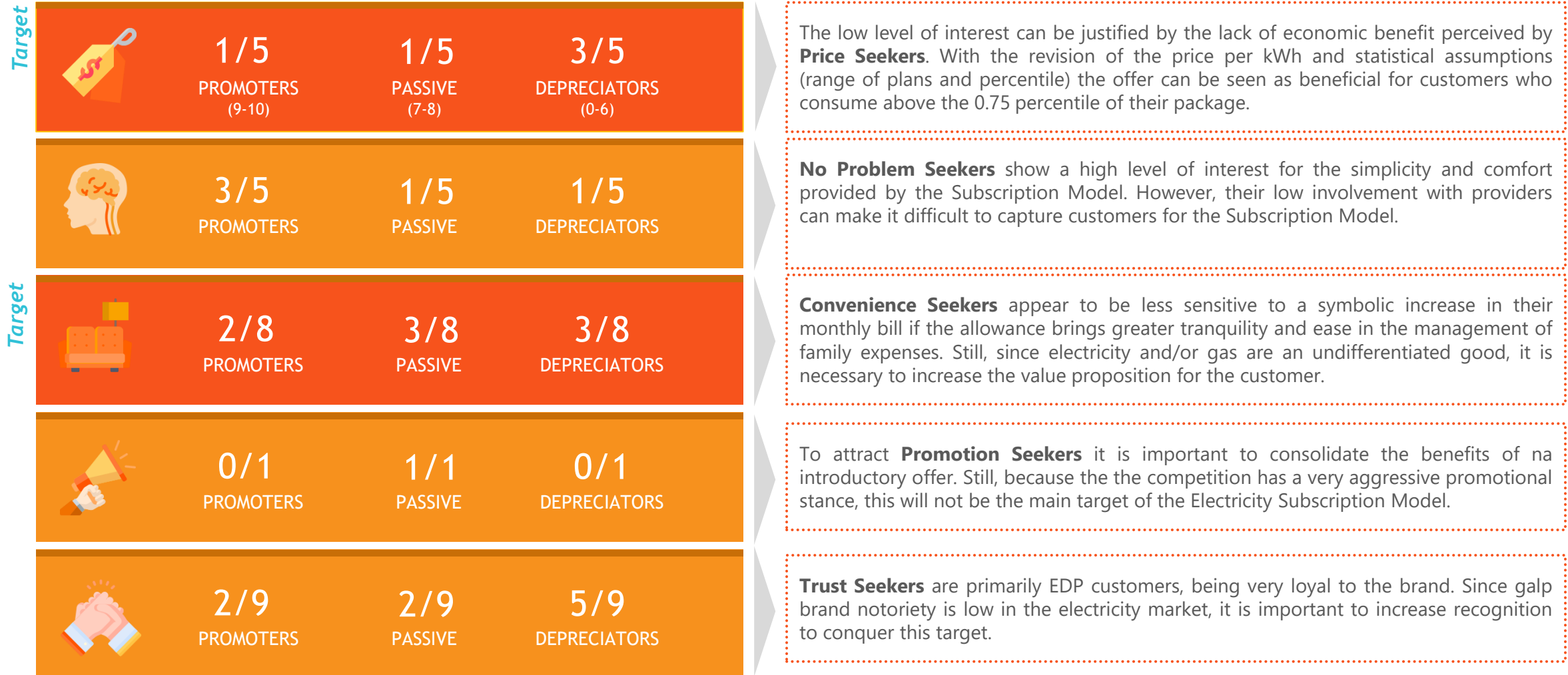
Uniform Distribution of Customers by Plans

Based on galp's customer portfolio, the plans were formulated based on a uniform distribution of the client portfolio.

Sweet Spot definition

In order to encourage the customer to join the next package if their consumption is higher than the limit of their plan, the value of the extra kWh should be the Standard Galp price (0.1587€/kWh).

Appendix 20 (IV/X)– Qualitative Study Results and Conclusions



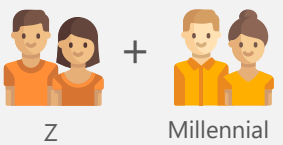
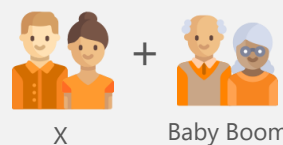



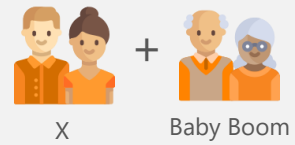
Appendix 20 (V/X)– Qualitative Study Results and Conclusions

After reviewing strategic and statistical assumptions, new electricity and gas plans were formulated to ensure a valuable value offer to the customer. In the next phase, after reviewing the results of the qualitative study and internal brainstorming the plans and their pricing will be adjusted.

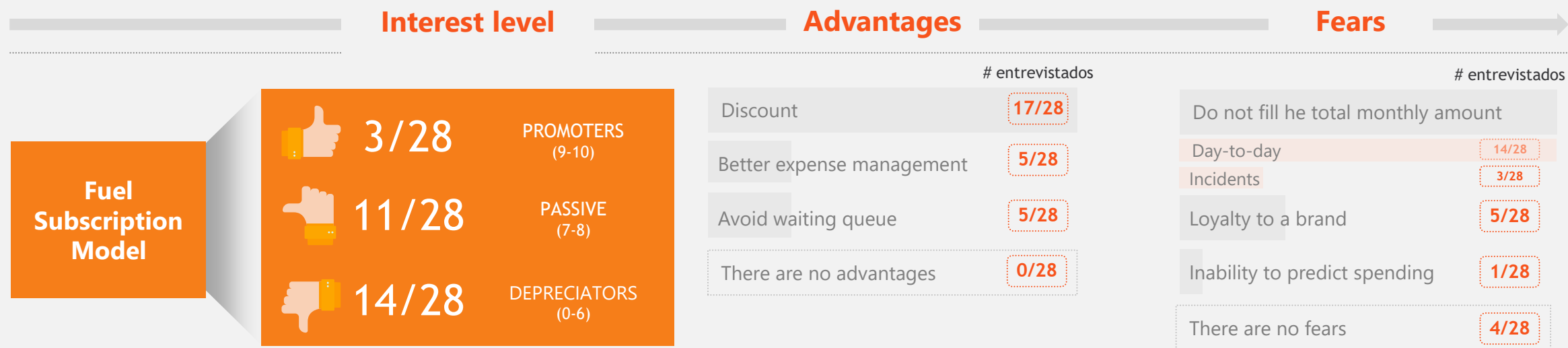
ELECTRICITY		Possible future adjustments: reduction of the maximum consumption limit of the Micro Plan with consequent decrease in price, to create a more accessible brand perception	GAS		Possible future adjustments: The Gas plans were estimated based on the grouped data from Galp's customer portfolio. With detailed customer portfolio data we will be able to work on prices and consumption levels more accurately.
Micro	23€/month up to 1,000 kWh/year		Future adjustment: The base price of kWh will now have 8% discount applied in the standard kWh (0.1587€/kWh)	Micro	
Mini	38€/month up to 1,500 kWh/year	Mini		9€/month up to 1,600 kWh/year	
Mini +	46€/month up to 2,000 kWh/year	Possible future adjustments: this package was designed for high consumption levels as big houses that can bring in more revenue. Strategically this class can be eliminated in the next phase by being directed to a small percentage of the customer portfolio	Media	15€/month up to 2,400 kWh/year	
Media	54€/month up to 2,500 kWh/year		Maxi	21€/month up to 3,600 kWh/year	
Média +	67€/month up to 3,500 kWh/year		Extra	32€/month up to 5,400 kWh/year	
Maxi	88€/month up to 5,000 kWh/year				
Maxi +	123€/month up to 7,000 kWh/year				
Extra	157€/month up to 9,000 kWh/year				

Note: (1) Micro Package, Mini - Power of 3.45kW; (2) Mini+ Packages, Media, Media +, Maxi - Power of 6.9kW; (3) Maxi+ Package, Extra - 10.35kW Power.

Appendix 20 (VI/X)– Qualitative Study Results and Conclusions

	Benefits of joining	Advantages									
Proposal	<table border="1"> <tr> <td>#1</td> <td>1 Electricity and/or Gas Bill to spend in Fuel</td> <td>12/28 Very Attractive 8/28 Neutral</td> </tr> <tr> <td>#2</td> <td>1 Electricity and/or Gas Bill in Grocery Purchases</td> <td>12/28 Very Attractive 7/28 Neutral</td> </tr> <tr> <td>#3</td> <td>Smart Device</td> <td>20/28 Unattractive</td> </tr> </table>	#1	1 Electricity and/or Gas Bill to spend in Fuel	12/28 Very Attractive 8/28 Neutral	#2	1 Electricity and/or Gas Bill in Grocery Purchases	12/28 Very Attractive 7/28 Neutral	#3	Smart Device	20/28 Unattractive	 <p>Identify as attractive the advantages: credit at Bolt, offer of uber eats delivery fee, offer NOS tickets at the price of Monday.</p>  <p>Contrarily, 7/14 respondents of the Baby Boom generation and 4/7 generation X respondents do not identify any interesting advantage</p>
	#1	1 Electricity and/or Gas Bill to spend in Fuel	12/28 Very Attractive 8/28 Neutral								
	#2	1 Electricity and/or Gas Bill in Grocery Purchases	12/28 Very Attractive 7/28 Neutral								
#3	Smart Device	20/28 Unattractive									
Insights	<ul style="list-style-type: none"> When asked what other advantages they would like to have, 7/28 respondents mention "supermarket and fuel vouchers". 3/28 respondents indicate that they liked to have access to discounts on other subscription services (e.g. Netflix, Telecom). 2 of the 28 interviewees mentioned that they would like to have health benefits. In the same proportion (2/28) would like to have discount on car cleaning and vacuum services at the fuel station. 										
Conclusions	<p>In order to respond to the interest on the part of the interviewees, access to Galp assistance services free of charge for 1 year will be studied in Quantitative as a benefit of joining. Its main objective is to capture customers for complementary services after the trial period.</p>  Home Assistance Service  Car Assistance Service  Family Assistance Service	<p>Since generations X and Baby Boom showed no interest in the advantages presented, new advantages directed to these generations were added to the Quantitative questionnaire for study.</p>  <ul style="list-style-type: none"> Monthly offer of X% vouchers on grocery purchases Monthly offer of X% fuel vouchers 									

Appendix 20 (VII/X)– Qualitative Study Results and Conclusions



Promo Seekers tend to associate quality fuel brands with strong promotional campaigns, choosing the campaign they see the most value in. For Promo Seekers, the subscription model can be interesting for its promotional dynamics and the interest in joining increases with the offer of higher discounts. Still, the subscription model has a high external competition (BP + Pingo Doce partnership) and internal (Galp Continente partnership), so it would only be possible to attract new customers or retain the old Galp customers with a more attractive proposal.



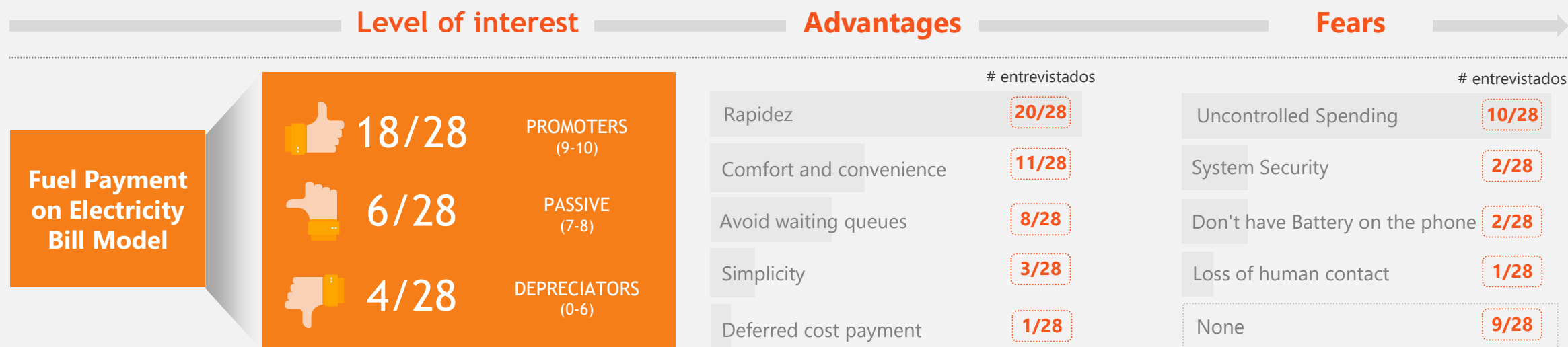
Despite the low interest levels of **quality seekers**, the sample size does not allow concrete conclusions about the levels of interest. Unlike in the Electricity market, Galp's quality and notoriety in fuel market can be leveraged to attract Quality Seekers customers.

Appendix 20 (VIII/X)– Qualitative Study Results and Conclusions



Note: Promoters (NPS 9-10); Passive (NPS 7-8); Depreciators (NPS of 0-6);
Source: Qualitative Interviews

Appendix 20 (IX/X)– Qualitative Study Results and Conclusions



Promo Seekers
 12/17
 PROMOTERS

The promo seekers' high level of interest is due to the attractive fuel discounts provided by this model, without implying loyalty to a fuel brand, lowering the level of commitment. In addition, this model implies a lower level of expenditure organization, being more attractive to younger people.

Quality Seekers
 3/4
 PROMOTERS

Quality Seekers' high level of interest can be justified by the simplicity, speed and convenience provided by a trusted brand. Galp's notoriety and fuel quality can be leveraged to attract Quality Seekers customers.

Appendix 20 (X/X)– Qualitative Study Results and Conclusions



The low level of interest of **Price Seekers** for the fuel subscription models is due to the continuous search for the cheapest fuel, making loyalty to the Galp brand unattractive.

The **Promo Seekers'** high level of interest is due to the attractive fuel discounts provided by this model, without implying loyalty to a fuel brand, lowering the level of commitment. In addition, this model results in a lower level of expenditure organization, being more attractive to younger people.

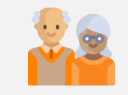
Convenience Seekers interest level can be justified by the simplicity, speed and convenience that this model provides to the customer. Still, demand for the nearest filling station can lead to low levels of service use.

Quality Seekers high level of interest can be justified by the simplicity, speed and convenience provided by a trusted brand. Galp's notoriety and fuel quality can be leveraged to attract Quality Seekers customers.

MBWay & PayPal



The option of payment via MBWay or PayPal is highly valued by generation Z and Millennial, increasing their level of interest. Young people believe that through this platform they can reduce the accumulation of expenses by reducing the bill at the end of the month.



On the other hand, older generations (generation X and Baby Boom) are indifferent to this payment option. According to the interviewees, by choosing to pay the fuel on the electricity bill, the MBWay option removes the valuable simplification factor.

Note: Promoters (NPS 9-10); Passive (NPS 7-8); Depreciators (NPS of 0-6); Source: Qualitative Interviews