

## Cost Structure

As far as the cost structure is concerned, the cost of setting up the business is what will most likely be the greatest expenditure. For setting up the business, we'll need to buy land to put the store in, as well as building the infrastructure if needed. The expected value of a 300m<sup>2</sup> building is of about 66.000€. Furthermore, we'll need the equipment and to store and sort the materials, and the basic IT equipment. The storage containers where the recycled materials will be stored to be later purchased, which would be around 10, assuming they would be second hand and around 12m<sup>3</sup>, would cost approximately 12.500€.

Finally, not regarding the aforementioned setup costs, we will need to pay the employees, an app developer, and also the microtransactions to clients who bring the materials to us. If we paid the average wage in Spain, 1642€, and assuming we will need a secretary, the app developer, and 2 or 3 workers in the store, we'll have to monthly pay 8210€ in salaries. This will be the approximate fixed cost, not including rent.

Finally, the microtransaction to the clients are variable costs, as they will vary depending on the material they bring. For 1kg of plastic, PET, paper, cardboard, tyres, glass, and tinted glass, we would pay 16¢, 31.75€, 4¢, 2.2¢, 5¢, 2€, & 1.6€, respectively.