

# ID Cover Page

## Summary of WP Student Team

Is there a Strategic Opportunity for ATNP to Expand Once Upon a Time's Business Model?

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Is there a strategic opportunity for ATNP to expand Once Upon a Time's business model?

The Financial Potential and Impacts of the New Once Upon a Time's Store

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**Abstract**

The following paper will focus on whether there is a strategic opportunity for ATNP to expand the new Once Upon a Time store's Business Model. To do so, firstly, the team conducted an internal analysis of ATNP's current portfolio regarding positioning, internal structure and background, and finances. As a result, from this research combined with ATNP's feedback, the team decided to focus on expanding the business concept of the Upcycling Social Store – Once Upon a Time. Therefore, each group member individually conducted the following analyses: Paloma Rosamonte focused on researching the market to understand what the potential segments and customers were to target. Consequently, Martina Giuliani developed a marketing plan, focusing highly on promotion and the different stages that Once Upon a Time should follow in its go-to-market strategy. Thirdly, based on all the assumptions previously made, Inês Ferreira conducted a financial analysis focusing on the new store's financial potential and its impacts on ATNP's financial structure. Finally, the team focused on aggregating recommendations from the different perspectives analyzed to provide ATNP guidance on how to manage the new Once Upon a Time Store efficiently and how to begin its path towards self-sufficiency.

**Keywords** (IPSS, ATNP, Strategic Opportunity, Upcycled Products, Workshops, Financial Potential, Impact).

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## **1.ATNP's current organizational structure and financial situation**

### **1.1 ATNP organizational context**

#### *History and Timelines of Events*

A.T.N.P. is a Private Institution of Social Solidarity (**IPSS**). This type of institution has been established as a non-profit organisation, giving systematic form to the ethical responsibility of individual solidarity and fairness by private initiative. IPSS supports social, and community integration, aids the elderly and disabled, promotes and safeguards health, education, and vocational training, and addresses housing issues for children, youth, and families. Our team met ATNP's board of directors, Carlos and Cláudio, at the beginning of October in Porto. They gave us a tour of the different facilities at Casa Nossa Senhora da Conceição where they told us the story of ATNP and gave us insights into their projects.

Furthermore, ATNP's goal is to develop and promote educational, social, cultural, sports, and recreational activities to improve the well-being and quality of life of children, teenagers, and families. Its objectives include promoting and protecting health, providing technical and professional school training, and collaborating with other private institutions of social solidarity as well as the State itself to provide education in any modality or degree, health services, social support, cultural activities, and comprehensive training (ATNP, 2022). Over the years, ATNPs have sought to adapt to the changes of times and society. In the next paragraph, we will describe and analyse the events and changes that occurred from the foundation of ATNP until nowadays and that has influenced ATNP's evolution leading it to its current situation. In 1930, A.T.N.P. – Assistência as Tuberculosos do Norte de Portugal – was founded by Dr Lopes Rodrigues in Porto. At the time, the tuberculosis epidemic severely impacted the north of Portugal, which was also highly underdeveloped. Therefore, ATNP was established to assist the people who suffered from this disease and were most vulnerable. During those years, thanks to the courtesy

of the Civil Government that donated the psychic Hospital of Monte Alto in Rio Tinto to ATNP, they nursed and supported 60 thousand people.

Moreover, numerous beneficiaries were children. Indeed, if a parent had tuberculosis, the children received support through education and nourishment. Hence, the Monte Alto psychiatric hospital served as a school as well. Fast forward to 1972, tuberculosis is no longer the main worrying issue, and the psychic hospital is empty. At this point, ATNP decided to focus on education and started a secondary school in Rio Tinto, thus, even though the mission changed, the name remained the same, and the same happened with the status.

Moreover, ATNP has started collaborating with Portugal's Social Security and the Ministry of Education. This same year, three different objectives were attributed to the psychic hospital of Monte Alto. It was used as a hospital to care for injured soldiers, as a psychic and national hospital. In 2011, a new board of directors was placed at ATNP and faced around 460.000€ of debt. The main concern was the **lack of leadership**. Hence, elections resulted in the old board leaving and the new board taking over. The latter rebuilds ATNP from scratch, working only with collaborators, driven by the motivation to pay out the debt and begin paying salary again. In 2012, there were new elections to name the president of ATNP. As a result, Cláudio is voted for and assumes the director role, along with new associates and several lists are made.

Further, in 2015, begins the process of rehabilitation of Martim Fernandes. Therefore, ATNP forms a partnership with IEFPP, which promotes internships in Portugal. Thus, they start working in different areas, such as sports and arts, alongside the Social Centre of Soutelo to dynamise the space and become a robust social action. Moving forward with this future perspective, in 2023, ATNP will inaugurate the social store Once Upon a Time, a project about social intervention, in a new location, Ribeira. In the following chapters, we discover, analyse, and understand how to launch this new store.

### ***Mission***

The mission is the *raison d'être* of the institution. By its nature, IPSS institutions always have a Mission, they are born to fulfil one, and this mission must be assumed by all its collaborators. Once defined, a Mission serves as the reference for what should and should not be done, either at a more strategic level or a more operational level, as an enlightening guide for the strategies and actions to be carried out. It also plays an inspirational and encouraging role. ATNP's focus lies in providing differentiated solutions that contribute to its mission to develop a fairer, more equitable and **inclusive society**. The following statement, *“For children, young men, families, for a better future, in a fairer and more equitable and inclusive society”*, is adopted by ATNP for their mission, which simplifies, without deviating from, their reason for being. The institution's mission must align with the statutes' statement of its purposes. However, for ATNP, finding a new formulation for the task that was more straightforward to communicate to others seemed favourable. Their decision is driven by the understanding that the mission can be a powerful communication tool that draws new associates, community members, and even funders who feel empathy for the institution's reason for existing and the way it is established.

### ***Vision***

ATNP intends to be a reference institution within the development of a better society in the north region that promotes educative, recreational-educational, social, cultural, sports-related, and social impact activities. ATNP's vision statement identifies the objectives of the organisation. It helps define what they hope to accomplish, as stated on their official website: *“ATNP aims to be a reference institution, of excellence and rigour in the construction of a fairer, fairer and more inclusive society, in the northern region, developing and promoting activities of an educational, playful-pedagogical, social, cultural, sports and recreational nature with relevant social impact in the communities where it is located, capable of contributing to the development and training of more autonomous and creative citizens, to*

*intervene to build a fairer and more equitable society.*” ATNP’s vision provides the outside world with some understanding of its objectives and desired perception. The vision statements for ATNP are aspirational and motivating. It inspires their beneficiaries, volunteers, workers, and stakeholders to consider what ATNP is doing and where the firm is going. ATNP’s vision relies mainly on four pillars: sustainability, financial sustainability, upcycling, and circular economy.

### ***Values***

Our response is based on the following values to ensure quality and excellent service. Firstly, with *Reciprocity and Cooperation*, ATNP provides the principle of mutual support between its members and generates a collective contribution to the benefit of everyone. Moreover, ATNP believes that working together and sharing knowledge will enhance individual talent and achieve superior results, strengthening the entire community. In addition, by valuing *Proximity and Trust*, ATNP’s goal is to make their community feel “home”: thanks to their support and assurance, they create a place of well-being that reflects the image of the comfort of home. Therefore, through *Creativity and Development*, ATNP aspires to respond to the needs and characteristics of its community by focusing on developing innovative projects and activities that contribute to promoting community development. Lastly, ATNP’s *Evolution and Commitment* have striven to adapt to changing times and society, seeking to improve to meet the needs of every person continuously.

## **1.2 The organisation’s current positioning**

### ***Business Units***

ATNP has three business units: the educational centres known as *Casa Nossa Senhora da Conceição*, the multifunctional building *Martim Fernandes* and the upcycling social store – *Once Upon a Time*.

### Casa Nossa Senhora da Conceição (CNSC)

CNSC is divided into co-financed and private valences. Firstly, at the co-financed valences, ATNP offers three services: the nursery, with 35 children; the preschool, accounting for 66 kids; and *Centro de Atividades de Tempos Livres (CATL)*, with 70 children. ('Relatório Atividades e Contas 2021' 2022) The nursery aims to provide for the kids' well-being and ensure their development in a safe environment. After the lockdown, the institution carefully re-established the affective bond with the children without disregarding their interests. Indeed, the work done between the staff and the families was crucial for this triumphant return. ('Relatório Atividades e Contas 2021' 2022) The pandemic also affected the preschool, so CNSC promoted activities that boost the sense of belonging and privileged outdoor events with contact with nature. Arts and socialisation were also essential for the children. ('Relatório Atividades e Contas 2021' 2022) The main goal of CATL is to support families by taking care of their kids early in the morning or afternoon. During that time, the activities mainly focus on developing the children's creativity. ('Relatório Atividades e Contas 2021' 2022) Regarding the private valences, first, there is the primary school with 80 students. Assuming the same method as in the preschool, CNSC privileges group dynamics and activities that promote socialisation between the students. Also, for the organisation, a classroom is a lot more than a close place; therefore, exterior places are also important places to study. Finally, the school offers other services such as study rooms for children between the fifth and ninth grades, tutoring, and cultural, artistic and sports activities. ('Relatório Atividades e Contas 2021' 2022)

### Martim Fernandes

Since 2021, ATNP established a partnership with IEFP by renting space in the *Martim Fernandes* building for people in social vulnerability to have professional education, mainly

learning about administration, languages, or carpentry work. In addition, the social organisation rented some of the space to other institutions for training purposes.

ATNP also grants the *Martim Fernandes* space to artists to work on serigraphy, clothing, customisation, and carpentry. Some of the workpieces will later be sold at the upcycling store. ('Relatório Atividades e Contas 2021' 2022) ATNP's primary goal is to transform *Martim Fernandes* into a space of social intervention. Therefore, they created a collaboration with *Centro Social de Soutelo* for joint projects where they could intervene in the community of Rio Tinto.

### Once Upon a Time

Located in Porto, Once Upon a Time is a store that sells upcycling products, such as furniture, clothes, accessories, and others made from reused fabrics, wood, trash, etc.

This inclusive project supported by *Fundação Manuel António de Mora* has four principal partners: First, for the materials supply, the IPSS established a partnership with LIPOR, a municipality association for sustainable waste management of Porto, to source some of the waste that was going to the landfill to be upcycled. Through the debris provided by LIPOR, patients at the psychiatric hospital of *Magalhães Lemos* create and design new pieces. The aim is to help the beneficiaries reintegrate into society by developing their personal and professional skills, reducing mental disease stigma, and making their work recognised. Further, as mentioned above, ATNP agreed with *Centro Social Soutelo* (CSC) to sell upcycled clothes from the project *Reveste*. Finally, the social organisation collaborates with the artists that use *Martim Fernandes's* premises to sell some of their pieces.

### ***ATNP Beneficiaries***

As an IPSS, ATNP's goals are based on promoting the well-being of people, families, and the community. The organisation supports children, young people, and families exposed to social vulnerability and has a higher risk of poverty. ('Relatório Atividades e Contas 2021' 2022) Thereby, from CNSC, the direct beneficiaries are children between 0 and 10 years. On the one hand, the children enrolled at the nursery and preschool are mainly kids from families with lower disposable income, i.e., from a lower-middle class. On the other hand, the children in the primary school and study rooms belong to the Portuguese middle class. Indeed, their families have a higher disposable income and higher qualifications. Both beneficiaries' families are usually very close to the organisation and directly follow their children's education. Concerning *Martim Fernandes*, the primary beneficiaries are teenagers, young adults, and unemployed people with low qualifications; most of the time failed several times at school, demonstrating some educational struggles and financial difficulties. Furthermore, *Once Upon a Time* upcycling store has direct and indirect beneficiaries. The patients from the psychiatric hospital *Magalhães Lemos*, direct heirs, and the store's customers, indirect beneficiaries.

### ***Positioning Statement***

For the children and the community. ATNP aims to promote quality education through differentiated pedagogical activities and the continuous involvement of the parents. Also, the IPSS develops community intervention projects through motivational strategies of upcycling. In sum, ATNP is a social and environmental Project for the community.

### SWOT analysis

To better understand the situation of ATNP, the team conducted a SWOT analysis: ATNP has two principal strengths. First, they are involved in various projects, which allows them to be the first movers and more aware of new trends. Secondly, their expertise and trust. On the one hand, ATNPs benefit from the faith they build among the children, parents, and community members. On the other hand, due to their partnerships, ATNP has qualified people who help them deliver excellent service. Looking at the social organisation's weakness, although they have different projects, ATNP is still very dependent on the subsidies given by social services. Another major weakness is the lack of brand awareness. Despite their attempts to create strong relationships with other institutions, people still don't know much about the organisation. Related to this is also the lack of a marketing function or department. Finally, the fact that ANTP does not benefit from the full potential of the *Martim Fernandes* building, or the upcycling store prevents them from having financial sustainability. As highlighted above, the foremost opportunity that ATNP could leverage is through the development of their upcycling store – Once Upon a Time. The new place, being more central, and the sales could help the IPSS. Additionally, the expansion of the other business units by, for example, increasing the number of children enrolled at the nursery, preschool or primary school could contribute to the organisation's financial sustainability. Finally, by exploring different relationships and partnerships with other institutions, ATNP could also improve brand awareness. Although the IPSS has promising opportunities, it could also suffer some threats, for example, the presence of indirect solid competitors.

### **1.3 ATNP's current financial situation**

To evaluate ATNP's current financial situation, we conducted a P&L analysis of the financial reports from 2017 until the year 2021, available on the organisation's website. In addition, to

better understand the financial scope of IPSS in Portugal, an analysis of papers, thesis, and dissertations related to exploring the context and structure of IPSSs' was conducted. The latter serves as a way of comparing ATNP's current situation to other organisations that tackle similar issues, thus having similar financial goals to achieve and obstacles to overtake.

According to Portuguese law and what is stated in *Segurança Social* (The National System of Social Security in Portugal), IPSSs are institutions constituted by the initiative of individuals with a no-profit end. This means that these types of social organisations are exempted from the payment of certain contributions, such as taxes, and benefit from the reduction in the contribution rate (*Instituições Particulares de Solidariedade Social* n.d). These organisations are obliged to disclose financial information to the State since this organ is their primary investor as it subsidises most hybrid organisations in Portugal. This leads us to conclude that it is no surprise that most IPSSs in Portugal experience financial instability throughout their years of activity. The type of goods these institutions offer is a major player in their financial sustainability, the reasoning behind this was explained in the thesis titled "*A sustentabilidade das IPSS e o Papel das Redes Sociais Municipais*".

According to this thesis, "if the private goods and services provided by an IPSS to their beneficiaries cannot be paid by the latter, IPSSs face the necessity of raising funds to cover these costs. Therefore, the State co-funds the majority of this difference. However, it is nowhere near sufficient to maintain their financial structure sustainable" (Oliveira 2016). By interviewing ATNP, this exact problem was understood. ATNP offers both private and public education, and when parents decide to enrol their children on ATNP's School Institution, Casa da Nossa Senhora da Conceição, and expect them to make their full education journey there, they face the following problem: since the primary school is fully privatised (therefore is considered a for-profit educational service) and ATNP is an IPSS, children from families whose background revolves round a vulnerable social and financial situation, have the right given by

the State to be prioritised in the enrolment process, since they cannot pay the full price of tuition, over the ones who come from families with no need of social aid. This means that in the end, ATNP is losing revenues that could be important for the dynamization of its mission and overall business structure.

Additionally, other facts could be compromising ATNP's financial sustainability, one of them being the cost of human resources, which in the scope of IPSSs is one of the costliest components. According to Oliveira (2016), where "*Enfermidade de Baumol*" is explained, human resources are the component with the highest weight in the costs structure of an IPSS, which means that either productivity doesn't grow or grows less than the rest of the economy. Finally, remuneration grows at a rate close to the rest of the economy. Through the interview with ATNP, this problem became clear. Every service that relies on human capital is internalised in the structure of ATNP. For example, the food service is made *in-house* at ATNP. In most schools, the opposite occurs, where catering companies are the primary supplier. Another example is the school's maintenance, which is once again done by individuals employed within ATNP as opposed to being an external service, as expected. Besides a large number of human resources, the seniority of such poses a bigger worrying factor. These two combined could potentially jeopardise ATNP's business structure.

Consequently, instead of innovating and exploring more creative sides to develop their for-profit valences, ATNP is currently unable to do so. Other characteristics that explain the financial instability an IPSS can face include the lack of patrimonial funds, bad or under-viewed governance, lack of action and innovation and the relationships built within the social organs of the organisation. Studies to contextualise the financial sustainability of non-profit organisations have been conducted, and even a theory regarding their financial vulnerability has been investigated (Trussel & Greelee, 2000) (Abraham, 2003) and can be applied to explain an organisation's financial flexibility. From the dissertation – *Estratégias de Sustentabilidade*

financeira das IPSS – it is understood that this theory has four criteria to explain such matters – inadequate patrimonial funds, revenue concentration, low administrative costs and low or even negative operational margins. These are often seen as the aspects behind the financial difficulties an IPSS normally faces (Silva 2014). To overcome situations of financial vulnerability and ensure financial sustainability, an IPSS should be able to secure and ensure that it possesses high patrimonial funds, multiple sources of investments and revenues, high administrative costs and, finally, high operational margins (Trussel & Greelee, 2000) (Abraham, 2003).

Considering all the above, the team analysed the annual account reports from the past five years (not including the year 2022) by conducting a P&L analysis, of both the Top-Down and Bottom-Up financial structures of ATNP (**Exhibit 1**).

**P&L Analysis of the years 2017-2021 | Top-Down Analysis (Exhibits 1, 2 and 3):** Regarding the Top-Down approach, the following conclusions were drawn – overall from 2017 to 2021, **total revenues** have decreased by 3,79%, however, since 2019, ATNP has been able to steadily increase revenues by 3,50%, reaching in complete €932,5K in 2021; in terms of **total costs** (excluding interests) these have increased by 4,76%, coming in 2021, a total of €944,1K.

- **Breaking down revenues**, ATNP shows an extremely high dependence on subsidies to generate revenues. From 2017 to 2021, contributions have increased by 0,63%. Although the growth has been stable and controlled, these show a weight percentage of 52% in the revenue structure in 2021 (€487.1K). Sales, on the contrary, have decreased by 1,30% and weigh around 45% (€431.7K) in 2021.
- This high dependency on subsidies may pose a relevant problem in the future for the following reasons: the wait to receive contributions may put the overall business under

prejudice since strategic decisions may have to be put on hold. Moreover, the processes to get these subsidies have become more bureaucratic over time.

- **Breaking down costs**, the most relevant are human resources-related costs. These have increased by 10,51% from 2017 to 2021. In 2021, ATNP had an expenditure of €757.5K with personnel costs, which translates to a weight of 80% in the cost structure. Following these, in 2021, costs with external services (€135.5K) and COGS and materials (€40.5K) weighted 14% and 4%, respectively. Both have decreased by 9,76% and by 32,52%, correspondingly.
- Overall, total costs peaked in 2019 (€954.3K). Since 2020, prices have been increasing, which led us to conclude that the pandemic acted as a stabilising factor.
- Regarding the EBITDA, this indicator has been negative since 2018, as it has decreased by 177,68% from 2017 to 2021. Consequently, this translates into a negative Net Income that has also reduced by 193,59% (reaching -€31K in 2021).

#### **P&L Analysis of the years 2018-2021 | Bottom-Up Analysis (Exhibits 4 and 5):**

- Regarding the **Bottom-Up** approach, the following conclusions were drawn overall, from 2018 to 2021, each Business Unit's weight, whether in terms of revenues or costs, has remained stable throughout the four years. As expected, the Kindergarten (*Creche*) and the Preschool (*Pré-Escolar*) hold the most significant weight due to having the highest number of beneficiaries. These weighted, on average, 24% and 35%, respectively, in the revenue structure and 25% and 33%, accordingly, in the cost structure of ATNP.
- For Martim Fernandes and the Once Upon a Time Upcycling Store, the analysed resources only had data since 2018. Furthermore, this Business Unit shows an average weight of 7,67% in the revenue structure and 8,67% in the costs structure. Subsequently, it represents the business unit requiring the smallest cost allocation.

Through the analysis, it becomes clear that one of ATNP's strengths is having multiple sources of revenue. However, the poor and lack of investment made until now, specifically for the for-profit units in terms of promotion and diversification of its value proposition, has been jeopardising the potential, financially and strategically, that it could have.

Furthermore, the high dependency on subsidies and the high costs related to human resources could influence ATNP's competitiveness within the privatised educational service, as the organisation's sales alone are far from enough to cover the costs associated with personnel. Moreover, in 2021, ATNP's solvability rate was 68% (**Exhibit 13**), which means that currently, ATNP's worth, in terms of patrimonial funds, is insufficient to cover all its debts. To be sustainable, ATNP should have a percentage over 100%. Additionally, its Return on Revenues Rate has been negative since 2019, reaching -3% in 2021, meaning that ATNP business volume has not been reimbursed since cash flows have been negative in the period considered. Nevertheless, ATNP shows a good ratio when looking at its Financial Autonomy Rate; although it decreased from 2019 until 2021, it represented 40% in 2021 (**Exhibit 14**).

**In brief, there is a strategic opportunity for ATNP to expand its business by developing and innovating Once Upon a Time business unit.** Since the store will change location to the historic part of Porto, this business unit is the least costly for ATNP. Our goals in the following chapters are to focus on the potential market and customer segments ATNP should target for the upcycling store, followed by strategies to implement into their new business model and, finally, the financial potential and impacts of our recommendations.

 <b>Once Upon a Time</b>		B2C MODEL	B2B MODEL	B2B2C MODEL
 Workshops		<ul style="list-style-type: none"> <li>✓ Upcycling products</li> <li>✓ E.g., souvenirs</li> <li>✓ Materials used: reclaimed wood, fabrics, trash, etc.</li> </ul>		
 Upcycling store		<ul style="list-style-type: none"> <li>✓ Furniture</li> <li>✓ Clothes by Reveste</li> <li>✓ Other Accessories &amp; Decoration products</li> </ul>		

Table 1 Once Upon a Time's Segments

## 2 Market Analysis

### 2.1 Competition

Regarding **Competition for the new Once Upon a Time Store**, the following conclusions were drawn: the sustainable/ eco-friendly/ conscious/ upcycling market is an emergent and growing market, which translates into a high level of competition, and consequently, large availability of substitutes. In terms of suppliers, OUaT depends on the following partnerships: Lipor, The Municipality Chamber, Leroy Merlin, Centro Social de Soutelo, Reveste, Façadinha, among others, translating into a medium bargaining power from suppliers. The same can be associated with buyers due to the growing trend of sustainable products.

It was considered that the most **relevant competitors were the following**: ReCreate, since it also gives a new opportunity to reuse materials, offers events such as workshops and is involved in social projects such as Jardins ReCreate; Vintage for a Cause, which is an upcycling store focused on upcycling fabrics into clothing pieces, which is also involved in social inclusion projects associated with unemployed women over 50 years old; As Damas de Paus, an upcycling store that gives a second life to furniture and conducts workshops; The Upcycle Store, the only international competitor being considered, that upcycles waste into design products.

### 2.2 Market Player & Target for B2C Model

Regarding the **willingness to pay for sustainable products**, it was concluded that consumers' consciousness around sustainability and the potential positive environmental impacts of reused products is growing, translating into a higher willingness to pay. However, this statement does not yet apply to the circular economy/ upcycled products, due to their perceived quality. Nevertheless, consumers are predisposed to spend more on recycled products if there is enough

information about their origin and production, and if the product itself is able to evoke emotions, other influential factors include social, cultural and demographic characteristics. All in all, Once Upon a Time has the potential to become well-established in the upcycling market.

**Tourism** will be one of the most influential factors for the new stores' success. Portugal's domestic tourism spending was \$8.6 billion in 2021, while international tourists spent 58% of the total expenditure registered. In the first 3 trimesters of 2022, 5.3 million of international tourists visited the North of Portugal, spending an overall of €1.031,6 million.

To understand the **potential customers** of the new store a **survey was conducted**. The most relevant conclusions were the following: respondents were more aware of the meaning of circular economy than of upcycling; 75% had already bought a recycled product; 15% responded that they buy these "Very often" and 53% responded "Sometimes"; 46% prefer buying in-store; 30% prefer products made from fabrics and 29% prefer wood; 91% is willing to buy another piece; most are willing to pay between €16 to €25 for a piece. 40% are interested in attending a workshop and most were willing to pay between €10 to €20 for a one-hour session.

The **customer segments** OUaT should start by targeting are the following: international tourists, represents a segment with a high purchasing power and a high availability to participate in various cultural experiences, with a growing consciousness for sustainability and environmental concerns; domestic tourists, as these are growing; Porto's residents. The most attractive segment is definitely the **international tourists**.

### **2.3 Market Player & Target for B2B and B2B2C Model**

To distinguish itself from its competitors, OUaT should upscale its workshop services by building both B2C, B2B and B2B2C business models. The B2B model should include business and educational institutions, as a way of promoting team-building activities through upcycled and sustainability-focused workshops. The B2B2C model should be seen as a mechanism to promote these services for the general customer as well as companies and schools through partnerships with online travel agencies and tourism platforms, such as GetYourGuide, GuruWalk and TripAdvisor.

### 3 Marketing Strategy

#### 3.1 The upcycling business and motivations that drive Once Upon a Time

In addition to what was previously mentioned, OUaT's potential customers can be divided into three segments: B2C – tourists and residents that want to buy an upcycled product or even take part in a workshop; B2B – companies and schools wanting to participate in team-building activities through workshops; B2B2C – online tourism platforms acting as intermediaries to customers who want to participate in workshops.

“Upcycling is the practice of recycling, repairing, upgrading, and remanufacturing materials and goods that are no longer in use or will soon be discarded in a way that raises their value.”

Upcycling can be considered a growing trend, especially due to an increase in environmental awareness. It has been associated with employment possibilities, conscious consumer behaviour and economic diversification. The motivations that drive upcycling are the following: emotions regarding the production process, value and distinctiveness of the final product, and higher social awareness, which can potentially benefit the organization's mission.

OUaT is the result of the combination of different social intervention projects conducted by ATNP, such as the project UpcycInclusivo, which enables individuals currently incarcerated in the Psychiatric Hospital of Magalhães Lemos, to get a sense of inclusivity by creating upcycled products that will later be sold, giving visibility to the cause and promoting the decrease of stigma in mental illness.

#### 3.2 Once Upon a Time Strategy to market the new store

Regarding the **value proposition** of the new store, different ones were generated depending on the segment being addressed. For the B2C segment, the following 2 key questions from the survey were considered: a) *How does buying upcycled products makes you feel?*; b) *Which characteristics do you value the most when purchasing a recycled piece?* – resulting in the

following statements: *Combining happiness and impact with a story; Give waste and dreams new opportunities.* Regarding the B2B segment and considering the type of service in question, the advised value proposition is the following: *Stay together, Upcycle together, Impact together; We help a team stay together by impacting together.* Finally, for the B2B2C segment, the following statements were created: *We provide tourists with tools to handmake unique memories; Visit Porto, taste its wine and upcycle your wine barrel.*

OUaT's PESTLE analysis shows the following:

**Political:** Need of know-how in terms of government regulations specific to the upcycling industry, monitorization of ATNP's agreement with the municipality.

**Economical:** The current socio-economic scenario should be considered as it can result in higher fuel expenses, transportation costs, electricity and gas.

**Social:** OUaT must be aware of consumer choices, upcoming trends, and societal demographic changes. It must continue showing support for causes such as Social Inclusion and the decrease in the stigma around mental illness.

**Technology:** OUaT has to consider how to target today's customers and build brand engagement through social media.

**Legal:** OUaT is offered materials by Lipor, it has to ensure that the materials have gone through quality, health and safety checks.

**Environmental:** OUaT will have the role of teaching its customers how to recycle materials and adopt a more sustainable lifestyle.

The 4P's of the new store consist of the following:

**Place:** new store is located in the city centre of Porto, in Ribeira. And it will be common to all the products and services being sold at OUaT.

The remaining P's (product, price and promotion) will depend on the service being considered. For the B2B Segment – the *product* will be Workshops for Companies and Schools to promote and conduct team-building activities, the *price* will be 750€ for 1 to 2 hours sessions for 10 to 15 participants for the Companies, and 6€/ per student, for the Schools; the *promotion* should be done through ATNP's website. For the B2B2C Segment – the *product* will be Workshops Sales on Online Tourism Platforms, to conduct workshops for the general customer, the *price* will be 17,50€ per participant for 1 to 2 hours sessions; the *promotion* will be done through the online platforms. For the B2C Segment – the *product* will be Upcycled products and Workshops, to promote sustainable practices and circular economy, the *price* will be between 10€ and 20€ per participant for 1 to 2 hours and the price of the products will vary between 1€ and 60€.; the *promotion* should be done through ATNP's website and the store's social media.

### 3.3 The Promotion strategy and Marketing Plan

Now, ATNP lacks a strong marketing strategy, which should be revoked. This can be done by having people responsible for creating, defining, and managing the different social media pages, specifically for Once Upon a Time. To have a sense of guidance in this matter, the 6M's Strategy should be followed: **market** – B2C (tourists and residents), B2B (companies and schools) and B2B2C (online tourism platforms); **mission** – create brand awareness, increase customer engagement and generate sales; **message** – improve teamwork, create souvenirs and visit the store depending on the segment; **media** – develop a website and a newsletter, have a presence on newspapers, build social media pages on Facebook, Instagram, Pinterest, LinkedIn and TikTok; **money** – invest 15K and reserve between 5% to 10% of the total revenues to allocate towards marketing expenses; **measurement** – keep track of engagement on social media platforms, of brand awareness and sales generation.

## 4 Financial Potential and Impacts

### 4.1. Once Upon a Time's current financial situation compared to the other units

ATNP can be divided into three business units – Casa Nossa Senhora da Conceição, Martim Fernandes and Once Upon a Time, and, finally, the Primary School – these aggregated explain its overall current financial situation, analysed, and mentioned in Chapter 1 – 1.3. What is ATNP's current financial situation? – furthermore, Casa Nossa Senhora da Conceição can be divided into three valences (Kindergarten, Pre-School, and Study Rooms – *CATL*). These can be distinguished in terms of their means. The valences at Casa Nossa Senhora da Conceição have an educational-driven mission.

In contrast, the other Business Units, the Primary School and Martim Fernandes and Once Upon a Time, are both impact and for-profit driven. Additionally, for the last three years (excluding 2022), Once Upon a Time's activity has been accounted for and analysed alongside the activities at Martim Fernandes premises since part of the products sold at the store is made at the building. This is a result of ATNP maximising the space at Martim Fernandes. The organisation rents part of the space as “*small social workshops*” to other artists and brands it has partnered with, so they can make upcycled products at this location.

Nevertheless, the analysis conducted later in this chapter regarding the new Once Upon a Time Store will disregard this matter. It will only consider revenues, costs and other KPIs that can impact the new store alone, excluding the activities pursued at Martim Fernandes. Regarding the comparison of the business units, the following data analysed was all provided by the administrative services of ATNP.

From exploring the data provided, we could draw the following conclusions: when it comes to the educational service mainly focused on CNSC – *Casa Nossa Senhora da Conceição* – this is separated by valences, some of which are privatised. In contrast, others are reimbursed by

State Institutions such as Social Security (Segurança Social) and by the Institute of Financial Management of Education (IGeFE, Instituto de Gestão Financeira da Educação).

**Casa Nossa Senhora da Conceição:**

**a) Kindergarten (or *Creche*):** This valence, in 2019, had an average of 42 beneficiaries and ten employees, while in 2021, the number of beneficiaries decreased to 35, and the number of employees remained the same. The State reimburses the Kindergarten; in 2021, the reimbursement of 301,68€ was paid monthly for each beneficiary, and according to ATNP, the demand for this valence is of high intensity. From 2018 until 2021 (**Exhibit 15**), this valence's sales have decreased by 1,82% (€73.3K in 2021), and the dependency that it has on subsidies has increased by 38,89% (€157.4K in 2021). The COGS has decreased by 54,45%, while the costs related to human resources have been declining at a rate of 3,17% when comparing 2018 with 2021. However, if we compare 2020 with 2021, these have increased by 2,52% (€200.3K in 2021). This valence's EBITDA has increased by almost 100% since 2018. However, it is still represented by negative values. Overall, Kindergarten's total revenues (€233.5K in 2021) have increased by 20,4% since 2018 and are mainly generated by subsidies (67% in 2021), while sales weight 31% (2021) when breaking down revenues. In terms of total costs, these have decreased by 3,90% (€233.7K), and once again, the problem relies on HR (weight of 86% in 2021).

**b) Pre-School (or *Estabelecimento de Educação Pré Escolar*):** this valence had 69 beneficiaries and an average of 12 employees in 2018. In 2021 the number of beneficiaries decreased to 66, and the number of employees increased to 15. The State also reimburses part of this valence, which pays the monthly amount of 175,23€ per beneficiary. From the P&L analysis (**Exhibit 16**) of this valence, the key findings were the following: sales have increased by 1,11% from 2018 until 2021 (€120.8K), subsidies have also increased by

13,19%, this could be mainly explained by the financing provided by IGeFE that in 2021 invested €50.5K in this particular valence. The COGS have decreased by 48,77%, with an opposite trend, human resources have increased by 43,0% (€263.3K). Its EBITDA has had a very negative trajectory; in 2018 reached a value of around €60K; however, it decreased by over 100%, matching the value of -550€. Looking at the composition of total revenues (€328.3K in 2021), once again, subsidies weigh more than 60%, while sales represent 37% of revenues. Looking at the total costs (€328.9K in 2021), as expected, human resources-related costs represented 80% in 2021.

- c) **Study Room (or CATL):** in 2018, its number of beneficiaries was 78, with an average of 10 employees. In 2021, the number of beneficiaries decreased to 70, and the number of employees increased to 11. For this valence, the State's reimbursement is 81,30€ per student, covering 70 students depending on available vacancies. The financial analysis (**Exhibit 17**) for this valence concluded that sales have decreased by 27,60% since 2018 (€79.7K), and subsidies have increased by 18,40% (€73.3K in 2021). Nevertheless, out of the three valences, this one has the most negligible value of subsidies allocated towards it. Both costs related to external services (€22.2K in 2021) and human resources (€122.1K in 2021) have increased by 9,62% and 25,31%, respectively. The EBITDA for CATL has a similar trajectory as the Pre-School's EBITDA since it has also decreased by over 101,8%, reaching a negative value of around -700€ in 2021. Breaking down total revenues (€154.9K in 2021) and total costs (€155.6K in 2021), it is visible that in terms of revenues, the majority is generated through sales. However, it is decreasing towards the point where the most revenue-generating factor is subsidies. In terms of costs, personnel costs take up the most percentage weighing 78% in 2021.

**Primary School (or 1º Ciclo) (Exhibit 18):**

The primary school represents the fully privatised school service that ATNP offers. In 2019 it had an average of 78 beneficiaries and five employees. In 2021 the number of employees remained the same, however, the number of beneficiaries decreased to 58. Contrary to what would be expected, sales did not fall. It grew by 10,84% from 2019 to 2021. This could be explained by implementing the educational program *Open Learning School*, an innovative yet expensive way of learning where the beneficiaries have a more personalised learning experience. Since 2019, total revenues have increased by 43,2% (€139.9K in 2021), and total costs have decreased by 2,3% (€147.5K in 2021). Concerning the breakdown of revenues, sales represent the most relevant stream, weighing in at 77%. In comparison, subsidies weigh 18%, meaning that this business unit is the least dependent on support to generate income. In terms of costs, human resources (€111.0K in 2021) have decreased by 12,89%, whereas external services (€23.2K in 2021) have increased by 14,16%, weighing in the most on the cost structure, reaching 75% and 16%, respectively. About the EBITDA, this indicator has increased significantly from 2019 until 2021 by 85,7%. However, it decreased from 2020 to 2021 by 218%, reaching a value of -7.600€ in 2021.

**Study rooms at Martim Fernandes and the Upcycling Store – Once Upon a Time (or CATL 2º e 3º Ciclos and Loja de Upcycling) (Exhibits 19 and 20):**

As explained by the administrative services at ATNP, these two Business Units have been considered and analysed together. The justification has been that it has not been revealed necessary to do it separately since both units are correlated with each other. Some of the activities with educational purposes endorsed at Martim Fernandes are related to upcycling. At Martim Fernandes, ATNP rents working space for artists to develop and create upcycled products that are later sold at the upcycling store. The group has had access to the data available

for these two units since 2019. In 2019 Martim Fernandes and the Upcycling store combined englobed an average of 44 beneficiaries and an average of 4 employees. In 2021, these numbers remained stable, just decreasing by one person per indicator (an average of 43 beneficiaries and three employees). To produce the upcycling products, 20 “*small social work shops*” were made available within Martim Fernandes, where the young adults from the community intervention program and the artists could work and create. The key findings regarding the financial analysis of these units were the following: in 2019, the most relevant revenue stream was sales (€62.6K), representing 86% of the total revenues. However, this weight decreased by 20,7% to 65% in 2021 (€49.6K in 2021), which might be explained by the pandemic's impacts and the fact that the upcycling store closed its doors in its first location. Subsidies also gained some expression in the year 2021 (€24.3K), which can be explained by the donation made by Fundação Manuel António da Mota, which represented a two-year agreement that in the meantime has also been extended to the year 2023. In terms of these units' cost structure, it comes as no surprise that expenses related to personnel costs weigh in the most in the overall form (€60.8K in 2021), decreasing by 19,9% from 2019 to 2021, which is explained by the decrease in the number of employees. The EBITDA for these units has been increasing at a growth rate of around 81,2%, however, the data shows that it has yet to achieve positive values. In 2021 it reached a negative deal of around -2.550€. Nevertheless, from the analysis, we can conclude that total revenues have been increasing by 5% and total costs have decreased by 9%.

Overall, the **social project and the upcycling store represent the least costly business unit analysed and the least dependent on subsidies**. Hence, its primary source of income generated through sales can be considered an opportunity to explore for-profit strategies to develop it and a great starting point for ATNP to develop the concepts of both of these businesses and its strategic positioning. **In comparison to the rest of these business units**, it stands out alongside the Primary School since these are the only units that are entirely for-profit.

Because of this, the team had to **decide which project to develop**. We came to the final decision through interviewing ATNP, who had a higher interest in developing the upcycling store since the implementation of the *Open Learning Educational Program* is already impacting the Primary School.

From a financial perspective, **there is an opportunity for ATNP to allocate more attention and financial resources to the development of the Store**. Nevertheless, ATNP must effectively manage expectations and the impacts of developing this business, as will be further explained in the following chapters.

#### **4.2. The revenue and cost drivers of the new Once Upon a Time Store**

In this subchapter, all the insights, recommendations and strategies mentioned and explored in Chapters 2 and 3 will be further explained from a financial perspective. Therefore, the following topics will be covered – description of the revenue and cost drivers, based on the customer segments, products, services, and key partners considered.

##### **4.2.1 The Revenue Drivers for the new Once Upon a Time Store**

According to the last two chapters, new products and services have been designed and thought of for ATNP to implement in the new store. Consequently, three customer segments have also been considered to target up-scale it. Another factor that is very relevant for the new store is its location. Since the new store is located in the historic part of Porto, specifically Ribeira, it is expected that the traffic will increase compared to the last location, especially in terms of tourist visits. Although the customer target for the new store englobes tourists, domestic tourists, and residents, the latter two have not been considered in the following analysis since it is the international tourists who mainly visit this new location.

To estimate the average number of clients that the store can potentially have, it was pertinent to associate this indicator with the number of tourists visiting Ribeira and, subsequently,

shopping when they see Porto. This decision was taken mainly due to the lack of data for the last two segments of customers. Furthermore, the size of the new store compared to the last one will also be considered to explain the average number of customers ATNP should aim for in terms of sales of the upcycled products and terms of participants in the workshops. Additionally, the average number of clients will differ depending on the product and service being analysed. In terms of sales of upcycling products, the average number of clients Once Upon a Time should target was defined based on the following aspects: according to Turismo de Portugal (**Exhibit 21**), in 2019, the city of Porto was visited by 3.671.926 tourists. From 2017 until 2019, the number of international tourists increased by 17,8%, and just from 2018 to 2019, this indicator increased by 11,1%. As expected with the pandemic in 2020, this trend experienced the opposite, with a significant drop in the number of tourists registered. For this reason, the numbers reported in 2020 and 2021 will not be considered for this analysis since they are outliers (**Exhibit 29**). On average, the number of international tourists is increasing by 8,56% yearly. Nevertheless, since this number has a direct impact on the average number of customers that ATNP should expect for the new store, the percentage of growth of the international tourists considered will be 3%, which translates into a moderate increase and, consequently, is considered adequate for ATNP to manage expectations. Considering the growth rate, it is expected that in 2022, around 3.782.084 international tourists will visit the city of Porto. Furthermore, if this rate remains stable, more than 4.380.000 tourists will visit Porto in 2027 (**Exhibit 22**).

Moreover, considering a study conducted by IPDT - Turismo e Consultoria regarding the profile of international tourists that visited Porto in 2017, the following conclusions can be drawn – out of a sample of 1147 valid questionnaires, 42% of tourists ended up shopping in Porto (“*Compras*”), and 7% ended up participating in cultural activities (“*Participar em eventos culturais*”) (**Exhibits 23 and 24**). Another relevant conclusion is that out of all the touristic

sightseeing points in Porto, the historic part of the city and the area of Ribeira was spontaneously identified by 22% and 13%, respectively, of the inquired tourists as attractive places in Porto, which left them amazed (**Exhibits 23 and 24**).

Aggregating all the facts mentioned with the group's assumptions, the average number of clients expected (**Exhibit 25**) in 2022 (if the store was already opened and running at the new location) was calculated considering that out of all the tourists that visit Porto, at least 20% will see the historic part of Porto, including Ribeira. Out of these, 30% will end up shopping at one of the 20 local shops that exist in Ribeira (**Exhibit 26**), 15% of these will enter the new Once Upon a Time Store, and finally, 50% will end up buying a product, coming up to the total of 17.019 average customers for 2022. This number is also proportional to the space available at the new store (this information was obtained through the discussion during the Mid-term Presentation). In the first location, Once Upon a Time's store measured around 40m<sup>2</sup>, giving about 30m<sup>2</sup> of free walking space, which translates to an average of 8 to 10 people in-store at once (including employees). In terms of the new store, which has around 100m<sup>2</sup> of total space, it is estimated that at least 60 to 70m<sup>2</sup> is free walking space, which translates to an average of 20 to 23 people in-store at once (including employees). Based on the assumptions and the total capacity of the store, as well as the number of workdays plus Saturdays, which were in total 304 in 2022, this gives an average of 55 buying customers per day. Nevertheless, it is crucial to consider that although customer traffic will increase due to the new location, ATNP should be prepared to experience seasonality and manage it effectively.

With all things considered, in terms of sales, the new *Once Upon a Time* store must distinguish the following three categories of upcycled products as revenue drivers (assuming that each category has to pay a different commission that will be later explained and quantified in the cost drivers):

- Upcycled Products from the Social Project UpcyclInclusivo (produced by the hospitalised and incarcerated patients at *Magalhães Lemos* and children and young adults from the Social Project at *Martim Fernandes*) – these should be products of smaller size or products resembling souvenirs made from any material available. Based on the survey, the potential customer's willingness to pay for upcycled products was around 16€ to 25€. However, souvenirs range from 2€ to 15€, which led us to consider an average price of 10€ for this product (independently of the material used). Furthermore, due to the expected traffic of tourists, we expect and assume that these products will be the most popular among tourists, leading us to consider that at least 55% of the total customers will gravitate towards them and end up buying on average 1 product of this category.
- Upcycled Products from Brands – since ATNP has partnered with brands such as ReVeste and Façadinha, which focus on upcycling fabrics, we expect this category to be the second most searched for. Therefore, the established average price of 15€ was based on the willingness to pay mentioned above, with the expectancy that at least 45% of customers will buy, on average, one upcycled product from this category.
- Upcycled Products made by Artists – in the Mid-term Presentation, it became clear that the upcycled pieces created by artists are usually more significant since most focus on upcycling old furniture and working with wood, for example, one of ATNP's partner artists is Alexandra Arnóbio who upcycles any material into chandeliers. Therefore, due to the size and the fact that these are products made by actual artists, making the value of the pieces increase, it is expected that this category will be the least searched for by tourists. Based on research around recycled furniture, prices range from 10€ to 1200€, meaning that it is difficult to quantify how much these pieces should be sold for. Thus, the average cost of 45€ was considered, expecting that at least 5% of customers will buy on average 1 piece from this category.

Another recommendation is to implement workshops about upcycling and circular economy as an additional revenue generator. In the first location, workshops were already organised. However, they were only targeting the B2C segment, and the number of participants averaged around three people due to the store's dimensions. In the new location, ATNP can expand the number of targeted segments and the average number of participants. To have Workshops as revenue drivers, the store should offer different value propositions and different values for each segment, according to the following:

- Workshops for the B2C segment: workshops will be held for customers, such as international tourists, domestic tourists, and residents. Through research, most workshops have an average duration of 1 to 3 hours. According to platforms such as TripAdvisor, Odisseias, and GetYourGuide, the prices for each participant range from 17€ to 60€ (**Exhibits 30 and 31**) depending on the activity in question. Considering this, as well as the survey, from which the willingness to pay for a workshop about upcycling of 1 hour was between 10€ to 20€. Therefore, this service's starting price point was 17,50€ for each participant. Furthermore, ATNP should aim for an average number of 6 participants per workshop in the first year. This number was set based on the store's capacity, doubling the workshop space. Finally, to help manage the resources available in the first year, *Once Upon a Time* should focus on organising at least two workshops per month or aim for an average of 24 workshops per year scheduled throughout 2023 according to seasonality if it shows more manageable and efficient. This category of workshops will also have a percentage quantified as a cost since part of sales from this service will be from Online Tourism Platforms (B2B2C).
- Workshops for B2B segment | Team-building activities for Companies – to diversity and up-scale Once Upon a Time's business model, the growing trend of organising activities within a company as a team-building activity serves as the right opportunity for the new

store to do so. In Chapter 2, it was explained that around 5880 companies are based in Porto; out of this, at least 70 have done team-building activities in the past, representing only 1,2% of the total number of companies which gives ATNP a margin when it comes to setting prices and the average number of participants for these workshops. Therefore, in the first year, ATNP should be able to target at least four companies to organise team-building activities, averaging several participants between a minimum of 10 and a maximum of 15, considering the new store's capacity, and, finally, charge it as 1-hour sessions at 750€ per session.

- Workshops for B2B segment | Schools Extra Curriculum Activities – the final segment being considered is workshops for schools as an extra curriculum activity for the students that participate. Also present in Chapter 2 is the total number of educational institutions in Porto, reaching 1191 (including universities). In Portugal, it is common for schools to organise activities such as field trips, visits to museums and other ludic activities. Therefore, it should be easy for Once Upon a Time to spread this activity since ATNP advocates within the educational sector. The price being considered was based on past personal experiences of one member of the team who was a student in Porto and where every year, from first grade until the twelfth, participated in an extra curriculum activity organised by the school. Usually, depending on the movement, the prices range between 1€ to 12€. Therefore, the average starting price was established at 6€ per student. Considering that, on average, a class in Portugal has 28 students, Once Upon a Time should aim to organise these workshops for at least three schools and, subsequently, two whole courses per school that can later be divided into smaller groups to go accordingly with the space available at the store.

The following subchapter will explain and quantify all the cost drivers needed to implement the recommendations for Once Upon a Time.

#### 4.2.2 The Cost Drivers for the new Once Upon a Time Store

One of ATNP's strategic advantages is related to the partnerships made over the years, especially the ones with Lipor, the Residual Management Company of Porto and also Leroy Merlin. Both companies give materials and tools for ATNP to upcycle and later sell and organise workshops in Once Upon a Time, which means that the store almost doesn't have costs associated with acquiring materials and tools for the products and the workshops.

Furthermore, the team was informed during the Mid-term Presentation that besides the store gifted by the Municipality Chamber of Porto, a warehouse was also gifted so that ATNP could store stock and other things related to the new upcycling store. Additionally, the team identified a generalised problem in the business structure of ATNP, which is the lack of promotion and marketing-driven strategies. ATNP has zero presence on social media platforms except on Facebook. Although Once Upon a Time has a shortcut for a website within the organisation's main page, it is empty, which jeopardises the optimal potential the store could have based on its differentiating aspects and social mission. Considering this, the cost drivers consist of the following:

##### *Capital Costs:*

Both of the following capital expenses were based on one of the team's family businesses which consisted of a gastronomical store of similar size to Once Upon a Time.

- Equipment and Decoration of the store – (**Exhibit 32**) it became apparent during the Mid-term Presentation that even though the store is gifted, it is still necessary to invest in its decoration and materials to conduct the selling activity. Therefore, according to Portuguese law, an initial investment of 15.000€ was considered an 8-year depreciation at 12,50%.
- Website Development – (Image of depreciation) it is crucial that ATNP invests in an appropriate website for *Once Upon a Time*. In other words, a website that can showcase the

activity that goes through the store, the social project and mission associated, as well as adequate space for selling the upcycled products and give the ability to book workshops. For this reason, an additional initial investment of 3.000€ was considered a 3-year depreciation at 33,3%, accordingly to Portuguese law.

***Operating Costs:***

- Cost of Sales – although most of the materials are gifted, the team was informed during the Mid-term Presentation that more tools had to be acquired, mainly to organise the workshops. Therefore, and also to give Once Upon a Time some operating margin in terms of expectations regarding costs, it was established that each year at least 15% of the sales of the upcycled products should be allocated towards covering any costs necessary.
- Tools for workshops – following the same logic as the one mentioned above, it was also established that at least 15% of the workshops sales should be allocated towards acquiring more tools to conduct the workshops.
- Consumables and Maintenance of the warehouse and the new store – the consumables being considered include electricity, gas, water, communications, and other maintenance costs that might be needed for the activities considered. Therefore, since we were also informed that the warehouse size is relatively similar to the size of the new store, it was established that at least 500€ should be enough to cover these costs.
- Commissions – as mentioned, a percentage of the revenues generated from the sales of the upcycling products have already been allocated and will continue to do so. Consequently, the following scheme is – when it comes to the Upcycled Products made within the scope of the Social Project, 30% of revenues is allocated towards improving the social mission within the project. In terms of the Upcycled Products from Brands, 70% of revenues are paid to the same brands, and lastly, for the Upcycled Products made by artists, 70% of revenues are also paid to the artists. Additionally, for the B2C workshops, another segment

is presented, which is the B2B2C or B2P, since part of the workshops targeted for the final customer should be advertised through Online Tourism Platforms, such as TripAdvisor, GetYourGuide and Viator. These partnerships require that ATNP applies to one of these platforms to become authenticated as a business that provides an experience such as the upcycling workshops. Afterwards, ATNP gets charged, on average, 20 to 30% for every activity completed. Therefore, it was established that at least 20% of B2C workshops would be booked through one of these platforms, and, consequently, ATNP would have to pay the average commission of 25% for every workshop conducted.

- Store's Insurance – when establishing the cost for the store's insurance, a few factors had to be considered since the cost varies depending on the location, the size of the store and the activity being executed. In terms of activity, it can be regarded as a low-risk one, however, in terms of location, since it is in the historic part of Porto, it is more likely to be considered of higher risk. Therefore, ATNP should be prepared to spend, on average, 300€ per month for insurance that covers multi-risks and accidents related to the participants of the workshops.
- Marketing expenses – as mentioned, the new store must be effectively promoted, contrary to what has been done so far. Thus, ATNP should allocate at least 7,5% of total revenues towards covering marketing expenses. This can include paid advertisements, partnerships with influencers, costs necessary with content creation for the social media platforms that we consider crucial for ATNP to promote Once Upon a Time on, and costs related to maintaining the website for the upcycling store.
- Human resources-related costs – the acquisition of 3 human resources has been considered for the new store. ATNP must allocate one towards being entirely in charge of marketing the new store, whereas the other two should be responsible for running the store and conducting the workshops. The average monthly salary of each was established based on

the wages already practised by ATNP on the rest of its business units. Additionally, the contributions to the National Social Security System (23,75%) and the insurance against work-related accidents (1%) have also been considered at 24,75% of the salary mass.

***Financial Costs:***

- To finance the store's assembly, it was considered a bank loan of 20.000€ within "Linha Capitalizar Mais" for ten years, with a two-year grace period and a 12-month Euribor rate of 2,5% plus a spread of 0,75% (**Exhibit 33**).

This sums up all the revenue and cost drivers considered for the new Once Upon a Time store. In the following subchapter, a 5-year Projection based on recommendations and assumptions will be analysed, followed by the evaluation of the project and of the final impacts of opening up the new upcycling store on the financial structure of ATNP.

**4.3 The financial potential and impacts of the new Once Upon a Time Store**

Based on recommendations, established prices and necessary costs, the following section focuses on analysing the potential economic trajectory ATNP should expect and aim for the next five years, starting from 2023 until 2027, as well as the impacts of the new store.

**5-Year Projection Analysis (Expected Revenues and Costs Table):**

To evaluate the financial potential that the new Once Upon a Time store will have, a 5-Year Projection Analysis was conducted (**Exhibit 34**). It is essential to highlight the following factors – the inflation rate of 2% being considered was based on the following statement – “The European Central Bank is publishing new economic forecasts in mid-December when it gathers for another rate decision. In September, the central bank forecasted an annual inflation rate of 8.1% this year and 5.5% for 2023. The ECB's mandate is to work toward headline inflation of 2%” (Amaro 2022).

Furthermore, in terms of the VAT tax, it was not considered in this analysis as this activity will allow ATNP to deduct the VAT supported in the input acquisitions. Taking everything into consideration, the new Upcycling Store is expected to achieve around €255.4K in total revenues, including both the sales of the upcycling products, the workshops, as well as the €8K annual donations from Fundação Manuel António da Mota, considered for the total period of the analysis. As seen in the analysis, the product that generates the most income is the upcycled products. Nevertheless, the workshops have a more considerable margin for ATNP to play with, as it will be explained later, which means that they should focus on upscaling this service in the following years.

Considering five years and the inflation rate, ATNP should be able to increase the number of sales of the upcycling products by at least 22%, reaching around €293.7K in total revenues in 2027. When it comes to the workshops, as mentioned, these have a more significant margin. Therefore, ATNP should expect a growth of around 250% and 300% in this service, which translates into reaching €25K in revenues generated from the workshops. Consequently, this translates into a growth of around 28% of total revenues, amounting to €326.7K in 2027.

In terms of costs, ATNP has to pay commissions to weigh approximately 50% of the cost structure for the 5-year period. In 2023 the expected value of commissions is €130.3K and in 2027 is €159.5K. Human resources-related costs are expected to be the second most expressive cost weighing in at 23% of the total cost structure, in 2023. Nevertheless, this weight is likely to decrease by 2% until 2027. ATNP should be expecting around €265.9K of total costs in the first year, which means that in 2023, Once Upon a Time's total revenues will not be sufficient to cover all the costs. Still, in 2027 this should no longer be expected as it is estimated that total costs will reach the value of around €316.1K. It is safe to say that with patience and efficient management of the store's value proposition and expectations, **Once Upon a Time has the financial potential to become the most profitable business unit** for ATNP.

**P&L Analysis of the new Once Upon a Time Upcycling Store (Exhibit 35):**

One of the most relevant advantages of developing the new store is its high independency regarding subsidies. Contrary to the rest of ATNP's Business Units, the new store only has the annual donation from Fundação Manuel António da Mota to account as a subsidy, making sales weight 96,87% on the overall revenue structure in 2023 and 97,55% in 2027. In terms of costs, the most relevant will be the ones related to external services, such as the payment of commissions, as mentioned, weighing 63,26% on the overall cost structure of the new store in 2023 and 65,18% in 2027. The expected EBITDA of the activity starts as having negative values. Still, ATNP should expect this indicator to increase by 283,46% considering the total period, reaching €12.9K in 2027. The same trajectory should also be scheduled for the Net Income, which is expected to achieve positive values for the first time two years into the activity in 2025. By the end of the period being considered, a Net Income of €10.5K is anticipated in 2027.

**Project Evaluation and Scenery Analyses:**

Based on the EBITDA's expected 5-year period values, and considering a WACC of 4,34%, it is likely that the Net Present Value of the new Once Upon a Time Store will have a positive value of around 700€, which translates into a **financially viable project (Exhibit 36)**. Considering this, ATNP should expect a Payback Period of 3,62 years, meaning that by the end of July of 2026, it should have paid back all of the initial investments made.

Additionally, the Break-even period will be 3,85 years, which means that it is expected for ATNP to start a positive trajectory in terms of results of the project's Net Income by the end of October of 2026. Two different scenery analyses were conducted to demonstrate this project's financial potential.

Firstly, using Data Tables (**Exhibit 37**), the goal of the analysis was to evaluate the fluctuation of prices and units sold, considering both the upcycled products and the workshops. The main takeaways from this analysis were what already had been mentioned about the margin that the workshops have. Therefore, if ATNP can up-scale this revenue driver, it can do as many workshops as possible and increase the price substantially. This will later translate into better Net Income and the Net Present Value for the Project. Regarding the Upcycling Products, it becomes clear that to achieve greater values, ATNP should negotiate the percentages it currently pays since both brands and artists use the space at Martim Fernandes to produce the products. If not, it either has to increase the price or the average number of products sold, which should be relatively easy due to tourism traffic and the size of the store, which gives ATNP the ability to sell at least three times more. Otherwise, it should aim for the estimated initial average of customers and try to steadily increase each product's unit selling price by at least €15 (this number represents an average of the cost of all the upcycled products). In conclusion, the **data table analysis shows how viable and profitable the workshops are** and the overall potential that the revenue drivers of the new store have.

Secondly, four sensitivity analyses were conducted to understand the impacts of what is currently expected versus both optimistic and pessimistic variations (**Exhibits 38**) – 1) Every variable cell varies between 50% and 20% while fixed costs remain the same (**Exhibits 39**); 2) The average number of customers varies 10% (**Exhibits 40**); 3) The average number of customers varies 10% and in the optimistic scenario the unit selling price increases (**Exhibits 41**); 4) The unit selling price varies 26% in the optimistic scenario and 6% in the pessimistic (**Exhibits 42**). In all the analyses, the pessimistic scenario was represented by a negative net present value, which was expected, considering that the current NPV is very low. Nevertheless, in all the analyses, the optimistic scenario revealed values for the NPV that are substantially bigger than the current one. Besides, **all the projections and assumptions considered were**

**reasonably underestimated to make the project as reliable and realistic as possible.** Thus, if ATNP can implement and manage all of the recommendations, the new store should be able to achieve a greater NPV similar to the ones from the optimistic scenarios.

### **The financial impact of the new Once Upon a Time store**

Three different scenarios were considered to evaluate the financial impact that the new upcycling store will have on the economic structure of ATNP (**Exhibits 43**).

Firstly, assuming that ATNP's financial system remains stable and that the revenues and costs from the new store also follow the estimated projections, it is visible that ATNP will be able to achieve a positive EBITDA (€1.2K) by 2027, which results of the increase by 74% in sales.

In the second scenario, it was assumed that costs would remain constant, and sales would increase by 2% each year. Considering this without Once Upon a Time store, although ATNP can achieve a positive EBITDA first in 2023 (€5.8K), the values registered are significantly lower in the following years than when the new Once Upon a Time is also considered, as it reports a Net Income of €33.9K in 2027 versus a Net Income of €23.5K in the same year when the store is not considered.

Finally, in the third scenario, it was assumed that costs and revenues would increase by 2% each year. Here the same conclusions as the last scenario analysed can be drawn, as ATNP can achieve positive values faster without the store. However, the value that it achieves when the store is considered is more remarkable; for example, in 2027, without the upcycling store, ATNP is expected to have a Net Income of €18.4K, whereas, with the store, it can expect to achieve a Net Income of €28.9K.

All things considered, the team believes that although it **may take some time for ATNP to see the actual impacts of the new store**, in the end, it will positively affect the overall financial structure of the organisation.

Moreover, all the assumptions made in this chapter have room for improvement and give ATNP a margin to play with. The team believes that **it is crucial for ATNP to focus on developing the workshops** as it is the income-generating stream with the most significant margin ATNP can work around. Additionally, from the research, there are approximately 322 agents of tourism activities, which means that the workshops are present in a growing yet small market from which it should be easier to stand out if the right and continuous promotion is allocated towards the store. To conclude, IPSSs are no strangers to financial viability.

Nevertheless, **the new Once Upon a Time store represents an excellent opportunity for ATNP to develop a reliable and financially viable for-profit project**, giving it, consequently, the opportunity to become less dependent on the State's support and **lead ATNP towards a profitable path to self-sufficiency**.

Chapter 4 | What is the financial potential and impacts of the new Once Upon a Time Upcycling Store?

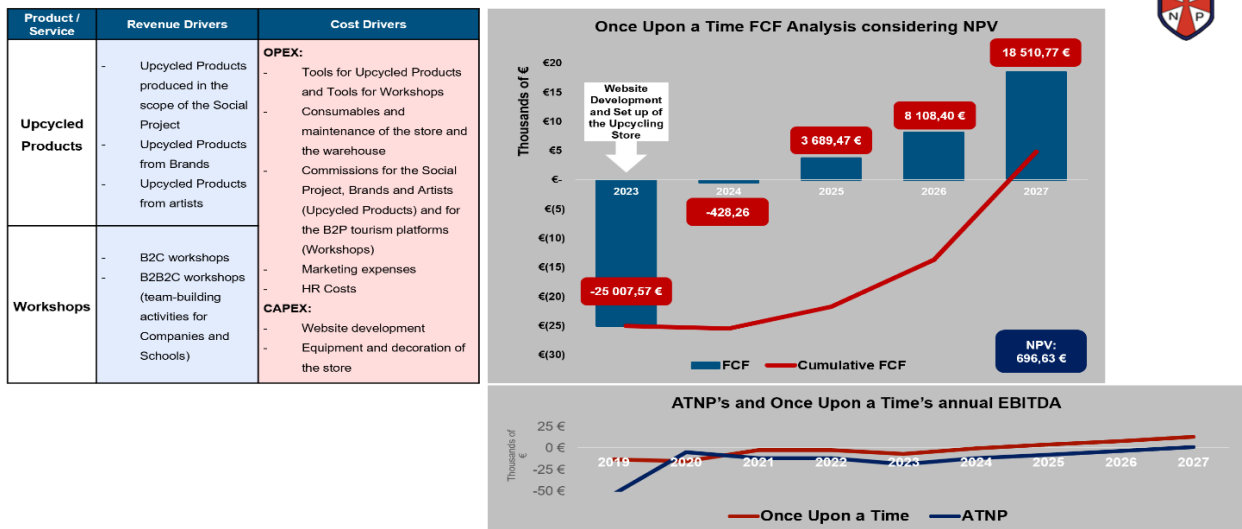


Figure 5 Conclusion of Chapter 4

## 5 Conclusion and final recommendation

Reminiscing the principal research question of this project – *Is there a strategic opportunity for ATNP to expand once upon a time's business model?* – our team's answer is yes. Nevertheless, some key recommendations from the three different perspectives analysed should be considered by the organization.

First, from a market perspective, the team faced some limitations, especially concerning the primary research, since we only collected 204 responses from the survey within a massive universe of tourists and Porto's residents. Additionally, due to a lack of information, the team didn't specify the type of products that One Upon a Time could sell at the store, referring only to recycled pieces, which can be included in various products. Despite the limitations, we concluded from the primary and secondary data that there is considerable potential for Once Upon a Time leverage from the competition. Furthermore, after a careful analysis of the attractiveness of each business model segment, the team suggests that Once Upon a Time should first **target international tourists** since they are an enormous segment. According to Publituris (2022), it's expected, in 2023, that tourism levels will maintain their trajectory of increasing although economic instability. Regarding the B2B segment, as mentioned above, the upcycling store should **target big corporations** because they are more willing to pay for team-building activities. Finally, for the B2B2C segment, the team recommends that the store **targets online tourism agencies**, such as GetYourGuide or Trip Advisor, due to lower costs. Overall, although all segments have different needs, we are now witnessing a shift in consumption, and people are now more focused on sustainability, which is appealing for every element.

Secondly, from a marketing perspective, Once Upon a Time understands the urgency, we must solve environmental concerns and raise awareness about sustainability and social issues such as the mental illness stereotype. Furthermore, Once Upon a Time developed an incredible project to act on these issues and **impact the planet and society**. Therefore, as resulted from

the PESTLE analysis, Once Upon a Time fits well with the actual environmental and social situation, especially in Portugal, where social exclusion is, for example, one of the most critical issues faced by the country. Although, Once Upon a Time has an urgent need to **focus more on the channels of communication**, to ensure that its message arrives at the right target and is understood. Moreover, in the 4Ps, the product and price were described in detail. In addition, with the 6Ms framework, the team suggested different **promotional strategies** to help Once Upon a Time be recognized and gain the success it deserves.

Finally, from a financial perspective, ATNP must be able to manage expectations in terms of financial results from the beginning. Due to the location and the high traffic of tourism, the new store is expected to experience the **seasonality effect**. ATNP should efficiently manage resources and spread its income-generating activities based on this effect to potentially target more customers. Furthermore, for the new store, the team recommends that ATNP focuses on the promotion of the store in general, but specifically of the workshops independently of the segment, as it represents a differentiating activity that does not require extensive lines of capital. ATNP should also leverage the fact that most of the tools necessary to conduct the workshops and to produce the upcycled products are gifted, allowing them to **allocate financial resources towards the research and implementation of other innovative activities**. Lastly, the team recommends that the percentages currently being accounted as commissions for the brands and artists ATNP has partnered with should be renegotiated since they are very high, considering that these brands and artists work and produce their upcycled pieces for free at the “*small social work shops*” at Martim Fernandes.

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<https://www.unwto.org/tourism-data/global-and-regional-tourism-performance>

## Appendix

### Exhibit 1: P&L Analysis of ATNP

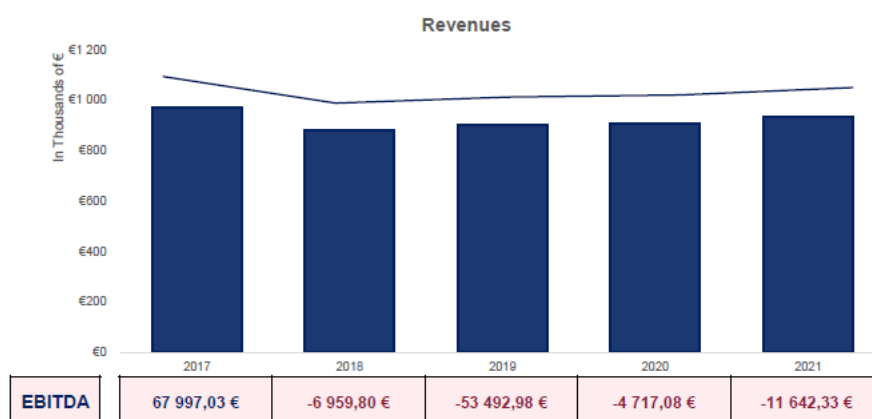
Source: ATNP plus Demonstrations in Excel

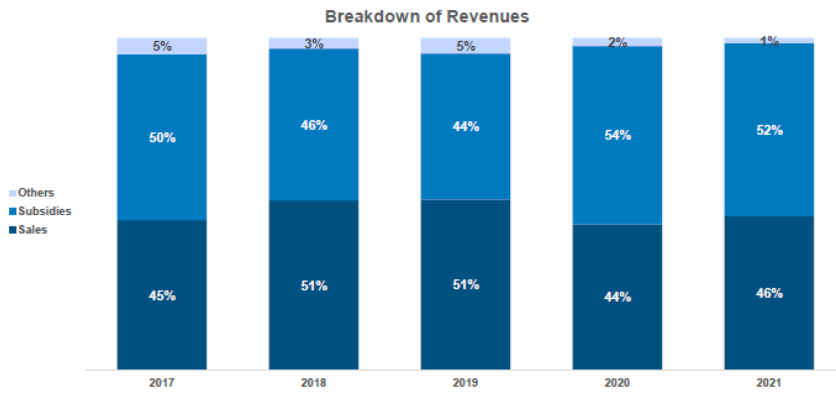
P&L					
2016 - 2021					
ATNP   Revenues and Costs	2017	2018	2019	2020	2021
Sales and Services	437 443,48 €	450 149,73 €	462 848,53 €	398 171,26 €	431 714,39 €
Subsidies	484 073,53 €	402 622,51 €	396 691,27 €	487 860,95 €	487 125,97 €
ISS, IP - (Centros Distritais)	404 674,74 €	350 318,70 €	356 316,36 €	382 190,88 €	389 606,53 €
Others	79 398,79 €	52 303,81 €	40 374,91 €	105 670,07 €	97 519,44 €
COGS	- 60 073,35 €	- 58 444,51 €	- 55 591,59 €	- 33 186,14 €	- 40 537,88 €
External Services	- 150 156,23 €	- 139 376,70 €	- 150 218,21 €	- 135 324,50 €	- 135 504,58 €
Personnel Costs	- 685 439,71 €	- 687 132,67 €	- 747 254,52 €	- 737 077,89 €	- 757 508,01 €
Debt (Imparidades de dívidas a receber (perdas/reversões))	- 2 876,63 €				- 4 213,92 €
Other Revenues	47 761,40 €	28 072,49 €	41 295,63 €	21 858,64 €	13 654,71 €
Other Costs	- 2 735,46 €	- 2 850,65 €	- 1 264,09 €	- 7 019,40 €	- 6 373,01 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>67 997,03 €</b>	<b>- 6 959,80 €</b>	<b>- 53 492,98 €</b>	<b>- 4 717,08 €</b>	<b>- 11 642,33 €</b>
Depreciations	- 32 223,65 €	- 33 012,92 €	- 23 576,79 €	- 17 377,57 €	- 16 147,31 €
<b>EBIT (Earnings before Interests and taxes)</b>	<b>35 773,38 €</b>	<b>- 39 972,72 €</b>	<b>- 77 069,77 €</b>	<b>- 22 094,65 €</b>	<b>- 27 789,64 €</b>
Interests and similar revenues obtained	14,59 €	4,98 €	0,99 €		2,54 €
Interests and similar costs supported	- 2 696,85 €	- 1 278,52 €	- 1 149,76 €	- 2 876,07 €	- 3 183,87 €
<b>Profit before taxes</b>	<b>33 091,12 €</b>	<b>- 41 246,26 €</b>	<b>- 78 218,54 €</b>	<b>- 24 970,72 €</b>	<b>- 30 970,97 €</b>
Income taxes					
<b>Net Income</b>	<b>33 091,12 €</b>	<b>- 41 246,26 €</b>	<b>- 78 218,54 €</b>	<b>- 24 970,72 €</b>	<b>- 30 970,97 €</b>

Total Revenues 969 278,41 € 880 844,73 € 900 835,43 € 907 890,85 € 932 495,07 €  
 Total Costs (excluding interests) - 901 281,38 € - 887 804,53 € - 954 328,41 € - 912 607,93 € - 944 137,40 €

### Exhibit 2: Top-Down P&L Analysis – Revenue Structure (2017-2021)

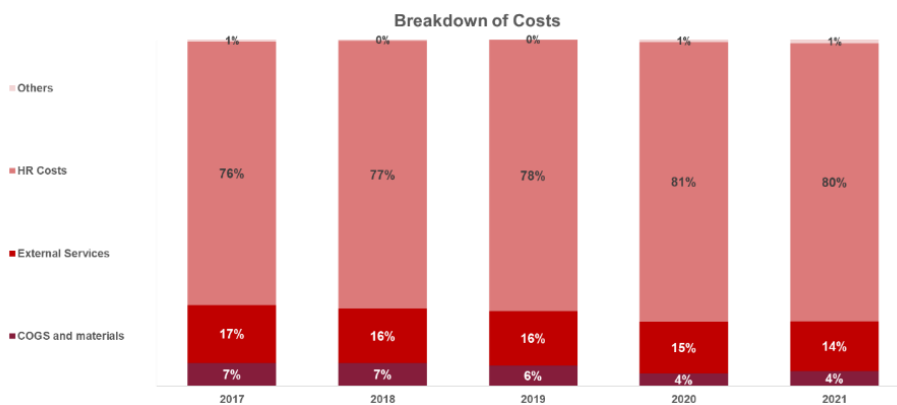
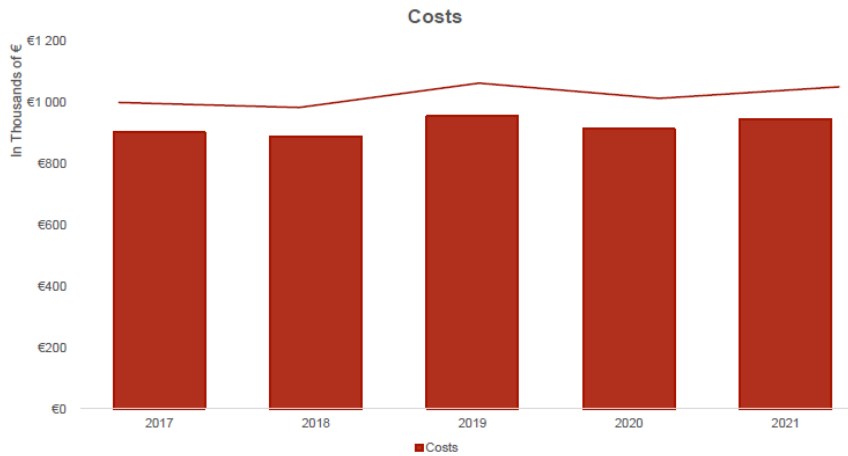
Source: ATNP plus Demonstrations in Excel





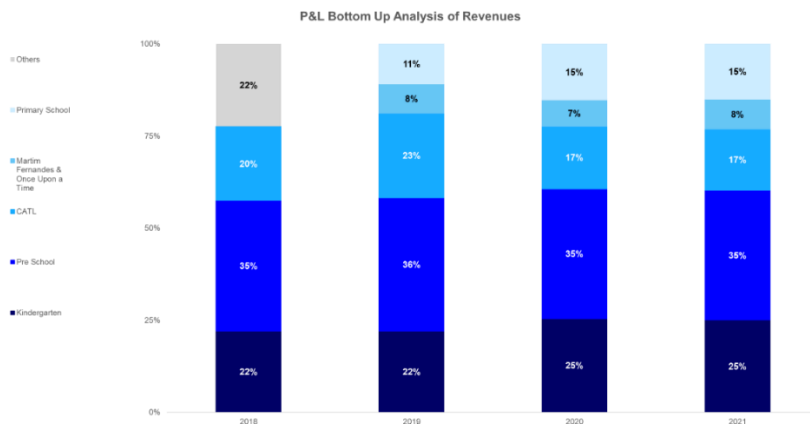
### Exhibit 3: Top-Down P&L Analysis – Cost Structure (2017-2021)

Source: ATNP plus Demonstrations in Excel



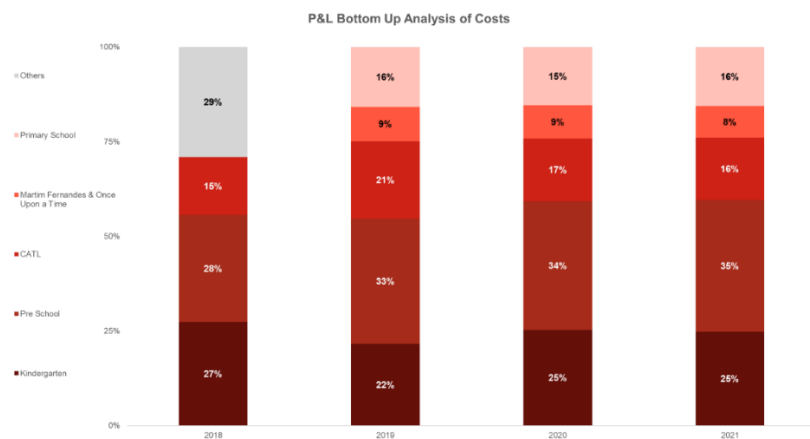
### Exhibit 4: Bottom-Up P&L Analysis – Revenue Structure (2018-2021)

Source: ATNP plus Demonstrations in Excel



### Exhibit 5: Bottom-Up P&L Analysis – Cost Structure (2018-2021)

Source: ATNP plus Demonstrations in Excel



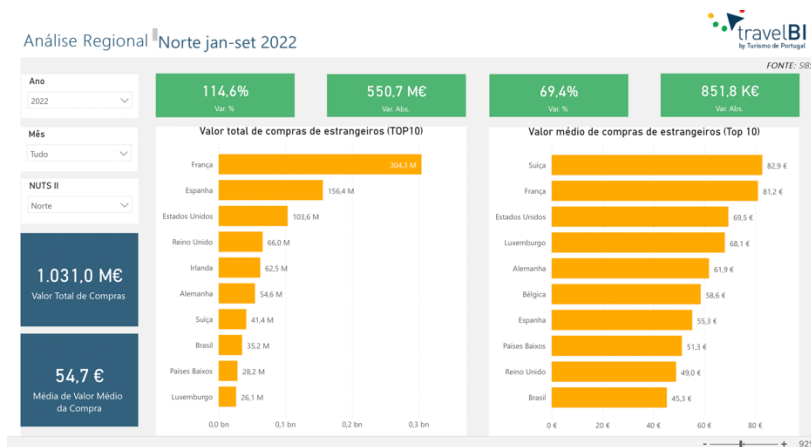
### Exhibit 6: Regional Analysis of tourism (North region of Portugal)

Source: Travel BI by Turismo de Portugal



## Exhibit 7: Regional Analysis of the average spending per tourists (the North region of Portugal)

Source: Travel BI by Turismo de Portugal



## Exhibit 8: Survey questions and results

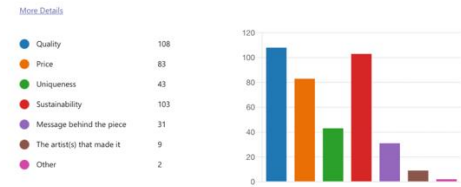
Source: Office Forms



9. Which of these materials do you value the most when purchasing a recycled piece? (0 point)



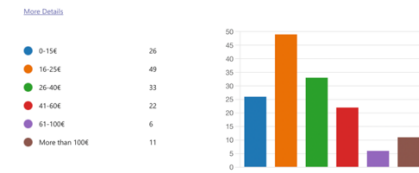
10. Which of these characteristics do you value the most when purchasing a recycled piece? (0 point)



12. Would you be willing to buy another product/piece made by recycled materials? (0 point)



13. How much would you be willing to pay for a product/piece? (0 point)



16. Do you usually support or donate to Mental Health Organizations? (0 point)



17. Do you usually support or donate to Organizations that help and support children and young adults in vulnerable situations?



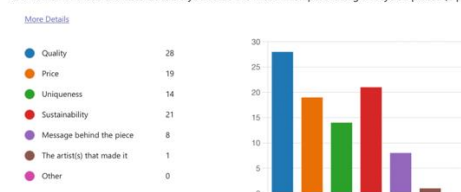
20. Do you usually support or donate to Organizations that help and support children and young adults in vulnerable situations?



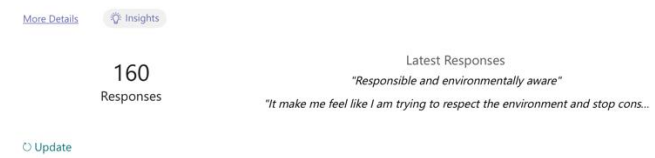
21. Knowing that the recycled pieces were handmade by these groups, would you be more willing to purchase these types of products?



24. Which of these characteristics do you value the most when purchasing a recycled piece? (0 point)



11. How does buying up cycled products makes you feel? (0 point)



19 respondents (12%) answered better for this question.



14. Do you usually support or donate to Mental Health Organizations? (0 point)



15. Do you usually support or donate to Organizations that help and support children and young adults in vulnerable situations?



18. Knowing that the recycled pieces were handmade by these groups, would you be more willing to purchase these types of products?



19. Do you usually support or donate to Mental Health Organizations? (0 point)



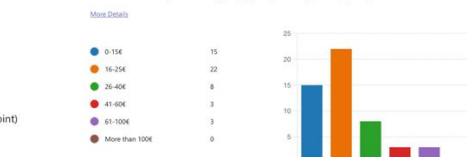
22. Where would you prefer to buy these types of products/pieces? (0 point)



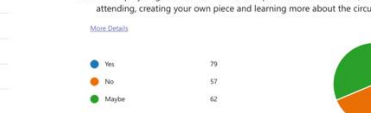
23. Which of these materials do you value the most when purchasing a recycled piece? (0 point)



25. How much would you be willing to pay for a product/piece? (0 point)



26. If the up-cycling store also offers workshop services for customers, would you be interested in attending, creating your own piece and learning more about the circular economy? (0 point)



27. How much would you be willing to pay for a workshop session (1h.) (0 point)

[More Details](#)

10-20€	91
21-35€	35
36-50€	14
More than 50€	1



28. Besides workshops, what other activities organized by the upcycling store would you be interested in participating in? (0 point)

[More Details](#)

[Insights](#)

42 Responses

Latest Responses  
"Domestic economy"

[Update](#)



29. Have you ever been to Porto? (0 point)

[More Details](#)

Yes	138
No	60



30. Are you thinking about visiting Porto? (0 point)

[More Details](#)

Yes	25
No	12
Maybe	23



31. If you were to visit Porto, would you consider paying a visit to an up-cycling store in the historical part of the city? (0 point)

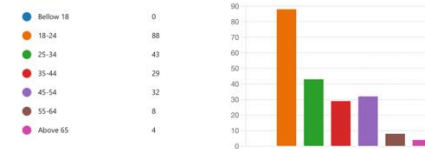
[More Details](#)

Yes	109
No	20
Maybe	57



33. Please state your current age (0 point)

[More Details](#)



32. Please state your gender (0 point)

[More Details](#)

Female	136
Male	67
Non-binary	0
Prefer not to say	1



34. Please state your level of education (0 point)

[More Details](#)

High school/ college graduate, ...	43
Bachelor's degree	63
Master's degree	86
PhD's degree	10
Other	2



36. Please state your nationality (0 point)

[More Details](#)

[Insights](#)

204 Responses

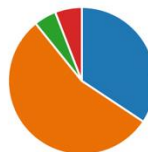
Latest Responses  
"Portuguese"  
"Portuguese"  
"Portuguese"

35. What is your current occupation? (0 point)

[More Details](#)

[Insights](#)

Student	70
Employed	112
Self-employed	10
Unemployed	12



## Exhibit 9: Portugal Tourism Analysis

Source: Travel BI by Turismo de Portugal



### Exhibit 13: ATNP's Solvability Rate

Source: ATNP plus Demonstrations in Excel

	2019	2020	2021
<b>Solvability Rate</b>	108%	83%	68%
Patrimonial Funds	351 571,44 €	336 270,95 €	305 299,98 €
Total of Liabilities	325 208,92 €	404 711,55 €	451 723,18 €

### Exhibit 14: ATNP's KPIs – Return on Revenues Rate and Financial Autonomy Rate

Source: ATNP plus Demonstrations in Excel

	2019	2020	2021
<b>Return on Revenues Rate</b>	-12%	-1%	-3%
Cash-Flow + Interests	- 53 491,99 €	- 4 717,08 €	- 11 639,79 €
Sales	462 848,53 €	398 171,26 €	431 714,39 €
	2019	2020	2021
<b>Financial Autonomy Rate</b>	52%	45%	40%
Patrimonial Funds	351 571,44 €	336 270,95 €	305 299,98 €
Total of Assets	676 780,36 €	740 982,50 €	757 023,16 €

### Exhibit 15: P&L Analysis of ATNP's Business Units – Kindergarten

Source: ATNP plus Demonstrations in Excel

P&L	
2018-2021	

ATNP Kindergarten  Revenues and Costs	2018	2019	2020	2021
Sales and Services	74 640,60 €	77 020,80 €	77 004,59 €	73 281,27 €
Subsidies	113 296,59 €	121 142,43 €	148 879,85 €	157 360,15 €
ISS, IP - Centros Distritais	113 296,59 €	115 025,40 €	146 022,39 €	154 722,38 €
Others	2 160,39 €	6 117,03 €	2 857,46 €	2 637,77 €
COGS	- 11 635,04 €	- 5 489,47 €	- 6 063,92 €	- 5 299,20 €
External Services	- 22 093,15 €	- 5 566,57 €	- 27 504,24 €	- 25 450,42 €
HR Costs	- 206 823,16 €	- 195 117,95 €	- 195 343,60 €	- 200 263,49 €
Debt (Imparidades de dívidas a receber (perdas/reversões))				- 1 057,75 €
Other Revenues	5 966,33 €	23,14 €	4 780,79 €	2 820,82 €
Other Costs	- 2 591,12 €	- €	- 1 789,52 €	- 1 599,70 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>- 49 238,95 €</b>	<b>- 7 987,62 €</b>	<b>- 36,05 €</b>	<b>- 208,32 €</b>
Depreciations	- 4 325,22 €	- 861,87 €	- 4 022,32 €	- 3 651,57 €
<b>EBIT (Earnings before Interests and taxes)</b>	<b>- 53 564,17 €</b>	<b>- 8 849,49 €</b>	<b>- 4 058,37 €</b>	<b>- 3 859,89 €</b>
Interests and similar revenues obtained	1,10 €	- €		0,64 €
Interests and similar costs supported	- 126,87 €	- €	- 705,30 €	- 617,34 €
<b>Profit before taxes</b>	<b>- 53 689,94 €</b>	<b>- 8 849,49 €</b>	<b>- 4 763,67 €</b>	<b>- 4 476,59 €</b>
Income taxes	- €	- €	- €	- €
<b>Net Income</b>	<b>- 53 689,94 €</b>	<b>- 8 849,49 €</b>	<b>- 4 763,67 €</b>	<b>- 4 476,59 €</b>

Total Revenues 193 903,52 € 198 186,37 € 230 665,23 € 233 462,24 €  
 Total Costs (excluding interests) - 243 142,47 € - 206 173,99 € - 230 701,28 € - 233 670,56 €

## Exhibit 16: P&L Analysis of ATNP's Business Units – Pre-School

Source: ATNP plus Demonstrations in Excel

P&L					
2018-2021					
ATNP Pre-School   Revenues and Costs	2018	2019	2020	2021	
Sales and Services	119 502,84 €	109 739,47 €	98 414,94 €	120 833,22 €	
Subsidies	182 748,16 €	192 923,97 €	218 402,85 €	206 854,59 €	
ISS, IP - Centros Distritais	179 273,70 €	179 282,16 €	216 243,27 €	204 969,68 €	
Others	3 474,46 €	13 641,81 €	2 159,58 €	1 884,91 €	
COGS	- 18 336,27 €	- 20 615,21 €	- 8 842,32 €	- 9 393,01 €	
External Services	- 48 486,79 €	- 72 381,94 €	- 50 615,65 €	- 52 278,66 €	
HR Costs	- 184 125,69 €	- 221 572,44 €	- 248 047,36 €	- 263 307,77 €	
Debt (Imparidades de dívidas a receber (perdas/reversões))				- 1 557,85 €	
Other Revenues	9 795,39 €	24 044,21 €	3 459,34 €	654,49 €	
Other Costs	- 106,33 €	- 529,38 €	- 2 604,99 €	- 2 356,06 €	
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>60 991,31 €</b>	<b>11 608,68 €</b>	<b>10 166,81 €</b>	<b>551,05 €</b>	
Depreciations	- 9 633,47 €	- 11 922,86 €	- 9 175,26 €	- 5 698,02 €	
<b>EBIT (Earnings before Interests and taxes)</b>	<b>51 357,84 €</b>	<b>- 314,18 €</b>	<b>991,55 €</b>	<b>- 6 249,07 €</b>	
Interests and similar revenues obtained	1,76 €	0,57 €	- €	0,94 €	
Interests and similar costs supported	- 344,61 €	- 459,25 €	- 1 048,61 €	- 1 054,11 €	
<b>Profit before taxes</b>	<b>51 014,99 €</b>	<b>- 772,86 €</b>	<b>- 57,06 €</b>	<b>- 7 302,24 €</b>	
Income taxes	- €	- €	- €	- €	
<b>Net Income</b>	<b>51 014,99 €</b>	<b>- 772,86 €</b>	<b>- 57,06 €</b>	<b>- 7 302,24 €</b>	
Total Revenues	312 046,39 €	326 707,65 €	320 277,13 €	328 342,30 €	
Total Costs (excluding interests)	- 251 055,08 €	- 315 098,97 €	- 310 110,32 €	- 328 893,35 €	

## Exhibit 17: P&L Analysis of ATNP's Business Units – Study Rooms

Source: ATNP plus Demonstrations in Excel

P&L					
2018-2021					
ATNP Study Rooms   Revenues and Costs	2018	2019	2020	2021	
Sales and Services	110 057,31 €	115 798,53 €	76 433,67 €	79 678,87 €	
Subsidies	61 885,33 €	72 635,22 €	74 046,70 €	73 269,86 €	
ISS, IP - Centros Distritais	59 908,80 €	62 008,80 €	72 079,85 €	71 463,45 €	
Others	1 976,53 €	10 626,42 €	1 966,85 €	1 806,41 €	
COGS	- 17 402,13 €	- 21 831,23 €	- 9 651,90 €	- 9 534,54 €	
External Services	- 20 215,26 €	- 46 223,90 €	- 23 254,02 €	- 22 159,97 €	
HR Costs	- 97 448,11 €	- 127 201,91 €	- 116 940,05 €	- 122 108,70 €	
Debt (Imparidades de dívidas a receber (perdas/reversões))				- 724,37 €	
Other Revenues	5 458,56 €	17 203,86 €	3 290,70 €	1 931,76 €	
Other Costs	- 60,49 €	- 734,72 €	- 1 231,76 €	- 1 095,53 €	
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>42 275,21 €</b>	<b>9 645,85 €</b>	<b>2 693,34 €</b>	<b>742,62 €</b>	
Depreciations	- 3 957,12 €	- 9 242,38 €	- 2 768,64 €	- 2 500,68 €	
<b>EBIT (Earnings before Interests and taxes)</b>	<b>38 318,09 €</b>	<b>403,47 €</b>	<b>- 75,30 €</b>	<b>- 3 243,30 €</b>	
Interests and similar revenues obtained	1,01 €	0,42 €	- €	0,44 €	
Interests and similar costs supported	- 116,07 €	- 690,51 €	- 485,47 €	- 422,77 €	
<b>Profit before taxes</b>	<b>38 203,03 €</b>	<b>- 286,62 €</b>	<b>- 560,77 €</b>	<b>- 3 665,63 €</b>	
Income taxes	- €	- €	- €	- €	
<b>Net Income</b>	<b>38 203,03 €</b>	<b>- 286,62 €</b>	<b>- 560,77 €</b>	<b>- 3 665,63 €</b>	
Total Revenues	177 401,20 €	205 637,61 €	153 771,07 €	154 880,49 €	
Total Costs (excluding interests)	- 135 125,99 €	- 195 991,76 €	- 151 077,73 €	- 155 623,11 €	

## Exhibit 18: P&L Analysis of ATNP's Business Units – Primary School

Source: ATNP plus Demonstrations in Excel

P&L				
2019-2021				
ATNP Primary School   Revenues and Costs		2019	2020	2021
Sales and Services		97 703,85 €	103 895,58 €	108 290,91 €
Subsidies		- €	26 086,24 €	25 326,89 €
ISS, IP - Centros Distritais		- €	24 631,71 €	23 970,30 €
Others		- €	1 454,53 €	1 356,59 €
COGS		- 3 207,52 €	- 3 111,67 €	- 11 940,14 €
External Services		- 20 289,11 €	- 21 965,59 €	- 23 161,34 €
HR Costs		- 127 428,44 €	- 114 861,18 €	- 111 005,75 €
Debt (Imparidades de dívidas a receber (perdas/reversões))		- €	- €	- 544,00 €
Other Revenues		- €	8 484,56 €	6 267,72 €
Other Costs		- €	910,92 €	822,72 €
<b>EBITDA (Earns Before Interests Taxes and Depreciations)</b>		<b>- 53 221,22 €</b>	<b>- 2 382,98 €</b>	<b>- 7 588,43 €</b>
Depreciations		- 538,01 €	- 627,49 €	- 1 957,99 €
<b>EBIT (Earns before Interests and taxes)</b>		<b>- 53 759,23 €</b>	<b>- 3 010,47 €</b>	<b>- 9 546,42 €</b>
Interests and similar revenues obtained		- €	- €	0,33 €
Interests and similar costs supported		- €	374,50 €	353,72 €
<b>Profit before taxes</b>		<b>- 53 759,23 €</b>	<b>- 3 384,97 €</b>	<b>- 9 899,81 €</b>
Income taxes		- €	- €	- €
<b>Net Income</b>		<b>- 53 759,23 €</b>	<b>- 3 384,97 €</b>	<b>- 9 899,81 €</b>
Total Revenues		97 703,85 €	138 466,38 €	139 885,52 €
Total Costs (excluding interests)		- 150 925,07 €	- 140 849,36 €	- 147 473,95 €

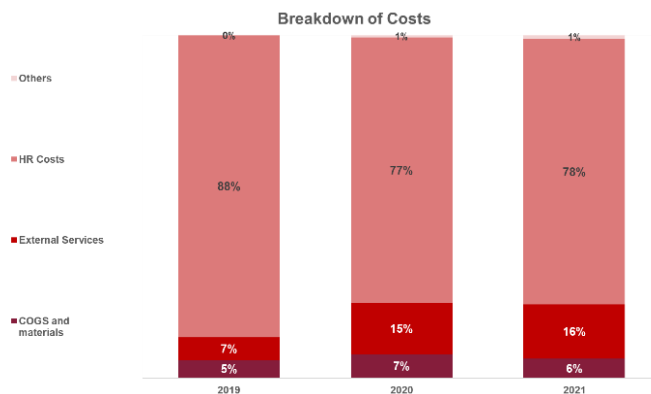
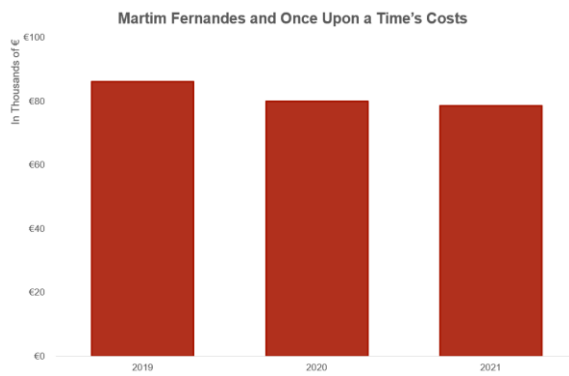
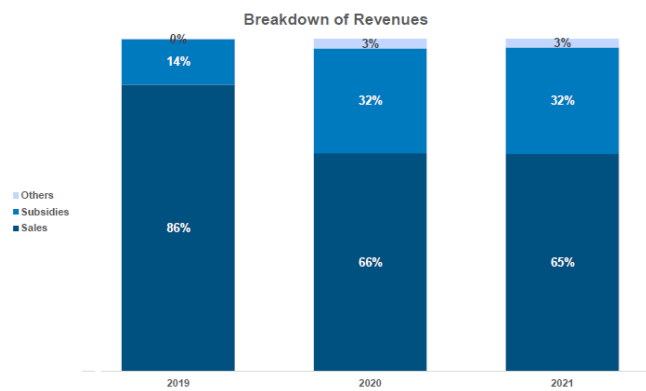
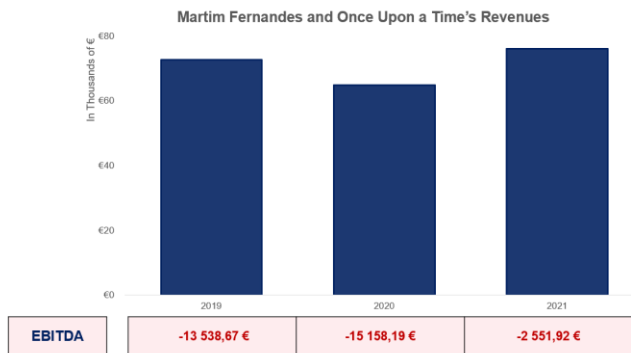
## Exhibit 19: P&L Analysis of ATNP's Business Units – Martim Fernandes and Once Upon a Time Upcycling Store

Source: ATNP plus Demonstrations in Excel

P&L				
2019-2021				
ATNP Martim Fernandes & Once Upon a Time   Revenues and Costs		2019	2020	2021
Sales and Services		62 585,88 €	42 422,48 €	49 630,11 €
Subsidies		9 989,63 €	20 445,32 €	24 314,48 €
ISS, IP - Centros Distritais		9 989,63 €	17 675,33 €	21 491,67 €
Others		- €	2 769,99 €	2 822,81 €
COGS		- 4 448,17 €	- 5 516,33 €	- 4 370,98 €
External Services		- 5 756,68 €	- 11 985,00 €	- 12 454,19 €
HR Costs		- 75 933,76 €	- 61 885,70 €	- 60 822,30 €
Debt (Imparidades de dívidas a receber (perdas/reversões))		- €	- €	- 329,95 €
Other Revenues		24,43 €	1 843,25 €	1 979,91 €
Other Costs		- €	482,21 €	499,00 €
<b>EBITDA (Earns Before Interests Taxes and Depreciations)</b>		<b>- 13 538,67 €</b>	<b>- 15 158,19 €</b>	<b>- 2 551,92 €</b>
Depreciations		- 1 011,67 €	- 783,87 €	- 2 339,04 €
<b>EBIT (Earns before Interests and taxes)</b>		<b>- 14 550,34 €</b>	<b>- 15 942,06 €</b>	<b>- 4 890,96 €</b>
Interests and similar revenues obtained		- €	- €	0,20 €
Interests and similar costs supported		- €	272,19 €	735,94 €
<b>Profit before taxes</b>		<b>- 14 550,34 €</b>	<b>- 16 214,25 €</b>	<b>- 5 626,70 €</b>
Income taxes		- €	- €	- €
<b>Net Income</b>		<b>- 14 550,34 €</b>	<b>- 16 214,25 €</b>	<b>- 5 626,70 €</b>
Total Revenues		72 599,94 €	64 711,05 €	75 924,50 €
Total Costs (excluding interests)		- 86 138,61 €	- 79 869,24 €	- 78 476,42 €

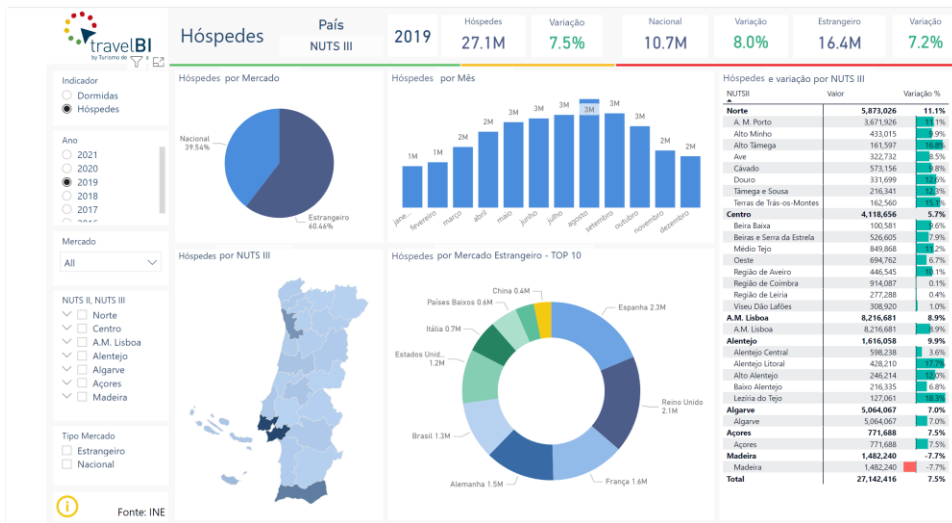
## Exhibit 20: P&L Analysis of ATNP's Business Units – Martim Fernandes and Once Upon a Time Upcycling Store Graphs

Source: ATNP plus Demonstrations in Excel



### Exhibit 21: Tourism in 2019

Source: Travel BI by Turismo de Portugal



### Exhibit 22: Assumption of Expected tourism Growth

Source: Travel BI by Turismo de Portugal and Demonstrations in Excel

Year	2017	2018	2019	2022	2023	2024	2025	2026	2027
Number of Tourists	3117423	3304848	3671926						
Growth		6,01%	11,11%						
Total									
Optimal average growth									
Moderate average growth									
Number of Tourists Expected				3986233	4327443	4697860	5099983	5536527	6010438
				3782084	3895546	4012413	4132785	4256769	4384472

### Exhibit 23: Profile of Tourists that visit Porto – Activities practiced in Porto by Tourists

Source: Instituto de Planeamento e Desenvolvimento do Turismo

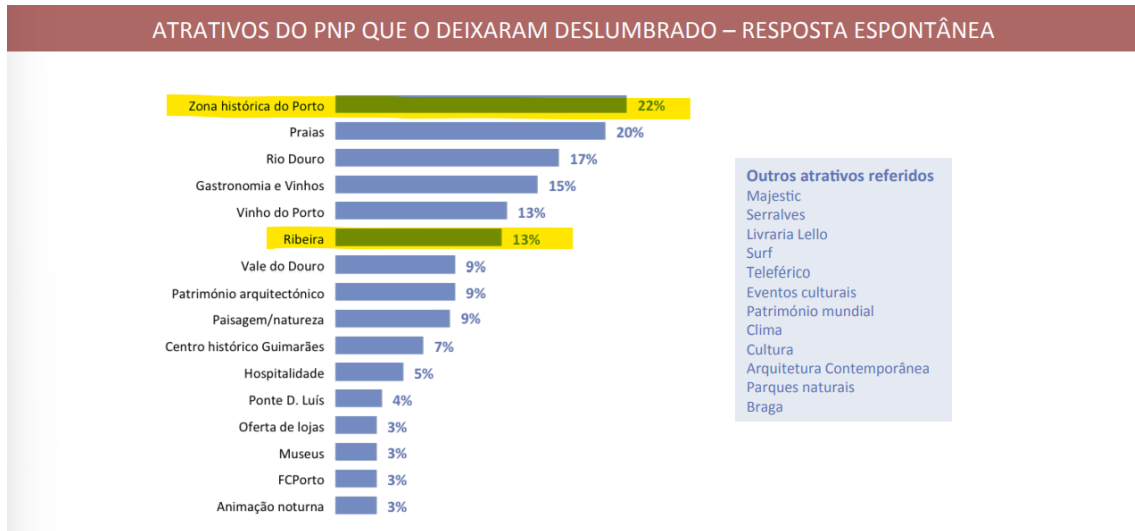
ATIVIDADES PRATICADAS NA REGIÃO				
Atividades	Lazer/ Férias	Visita a familiares/amigos	Negócios	GLOBAL
Experienciar a gastronomia	84%	71%	88%	81%
Compras	48%	57%	16%	42%
Apreciação da paisagem/natureza	42%	29%	19%	33%
Ir à praia	39%	38%	9%	32%
Desfrutar da animação noturna	35%	28%	24%	30%
Passeios de carro na região	24%	54%	12%	29%
Visitar monumentos	50%	15%	4%	28%
Visitar museus	34%	7%	2%	19%
Visitar as Caves do Vinho do Porto	35%	7%	3%	19%
Adquirir artesanato/produtos regionais	28%	15%	6%	18%
Passeios pedestres	25%	16%	5%	18%
Cruzeiros de barco no Douro	26%	7%	2%	15%
Assistir a eventos culturais	20%	13%	5%	14%
Visitar o Vale do Douro	23%	8%	2%	14%
Excursões	17%	3%		9%
Visitar Guimarães	11%	8%	1%	7%
Participar em eventos culturais	10%	5%	1%	7%
Assistir a eventos desportivos	7%	6%	2%	5%
Visitar a Casa da Música	9%	4%		5%
Passeios de bicicleta	6%	4%	1%	4%
Visitar o Parque Nacional Peneda/Gerês	4%	5%		4%
Visitar Serralves	4%	2%	1%	3%
Participar em eventos desportivos	2%	3%	1%	2%
Atividades náuticas	2%	2%	1%	2%
Visitar Foz Côa	3%	1%	1%	2%
Observação de pássaros	2%	0,4%	1%	2%
Desportos radicais	1%	1%	1%	1%
Jogar golfe	0,2%			0,1%

As atividades mais praticadas no PNP foram: experimentar a gastronomia (81%) e fazer compras (42%). Seguiram-se a apreciação da paisagem (33%), as idas à praia (32%), a fruição da animação noturna (30%) e os passeios de carro (29%).

Os turistas em lazer/férias foram os que praticaram mais atividades, uma vez que apresentaram sistematicamente frequências de utilização superiores às dos outros dois segmentos. As compras merecem referência no grupo em visita a familiares ou amigos (57%), o que evidencia a importância económica deste segmento para a região.

### Exhibit 24: Profile of Tourists that visit Porto – Most visited places

Source: Instituto de Planeamento e Desenvolvimento do Turismo



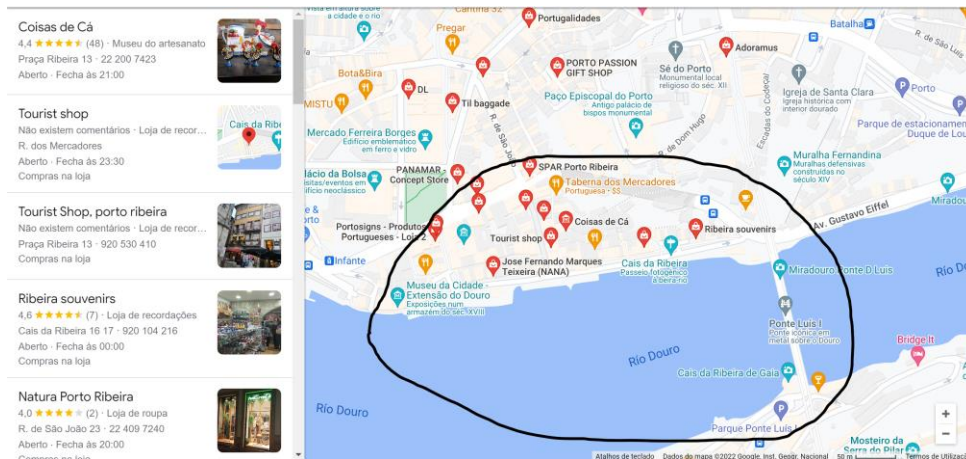
### Exhibit 25: Assumption of Average Number of Clients Expected

Source: Demonstrations in Excel

Year	Year 0-1
<b>Number of Tourists Expected</b>	<b>3782084</b>
<b>% of Tourists that visit Ribeira</b>	20%
<b>Subtotal</b>	756417
<b>% of tourists that shop in Ribeira</b>	30%
<b>Subtotal</b>	226925
<b>% of tourists that enter Once Upon a Time</b>	15%
<b>Subtotal</b>	34039
<b>% of tourists that buy</b>	50%
<b>Average number of clients expected</b>	<b>17019</b>

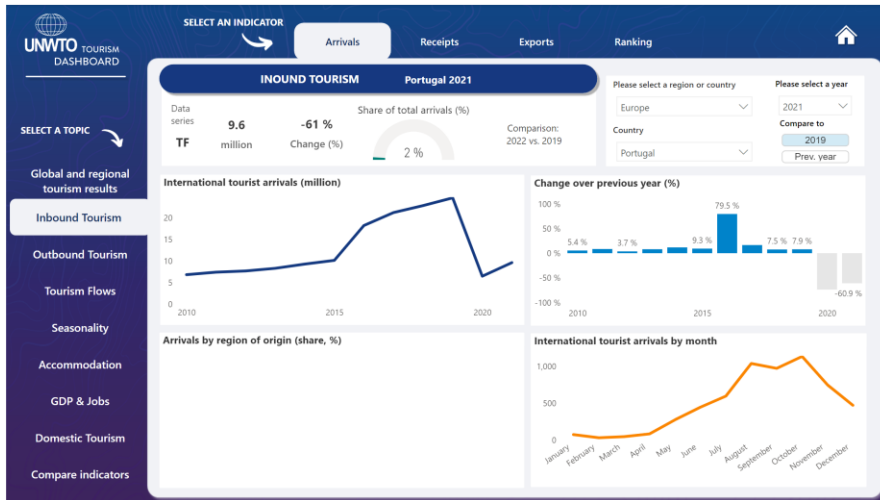
### Exhibit 26: Ribeira and the number of souvenir shops

Source: Google Maps



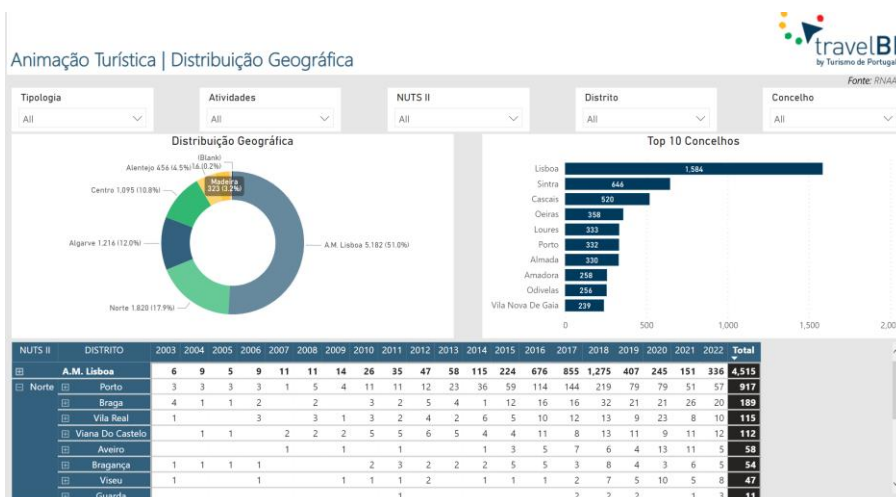
## Exhibit 27: Inbound Tourism in Portugal

Source: UNWTO



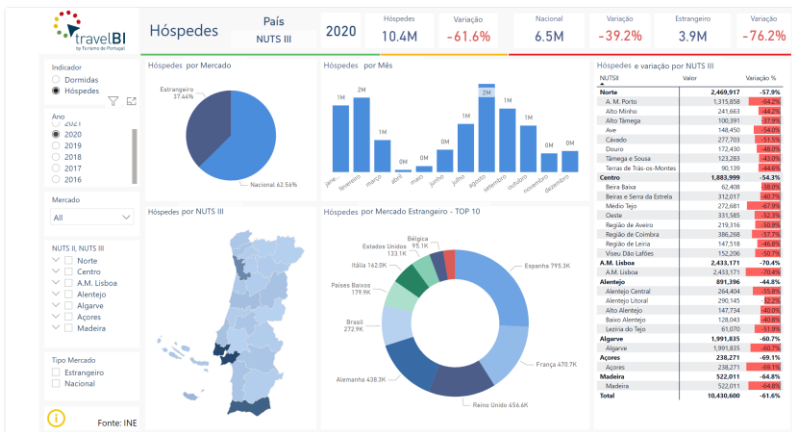
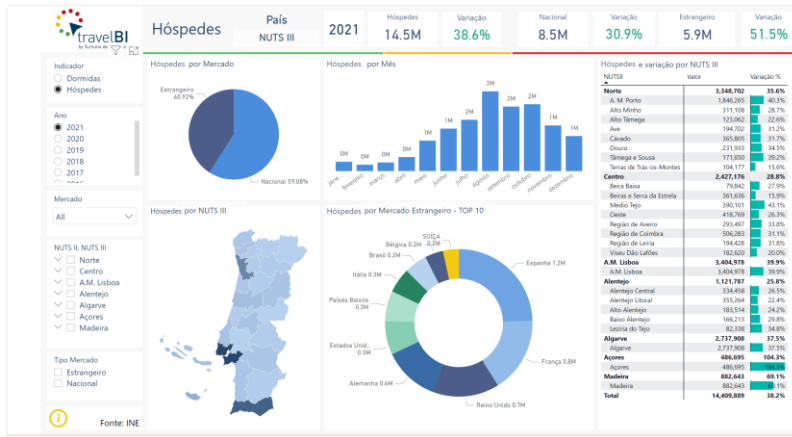
## Exhibit 28: Agents of Touristic Animation

Source: Travel BI by Turismo de Portugal



## Exhibit 29: Number of Tourists that visited Porto in 2021 and 2020

Source: Travel BI by Turismo de Portugal



## Exhibit 30: Workshops in Porto (including prices)

Source: Viator

**Porto Aulas de arte e cultura**

16 resultados | Todos os colíseus para fazer

As comissões influenciam o [padrão de classificação](#) | Ordenar por [Patrocinada](#)

- Procurados**
  - Ideal para evitar multidiões
  - Com medidas de segurança
  - Adequado para crianças
- Arte e cultura**
  - Aulas de arte e cultura
  - Aulas de arte
  - Aulas de artesanato
  - Aulas de dança
  - Aulas de pintura
  - Cultura
- Aulas e workshops**
  - Aulas ao ar livre
  - Aulas de arte e cultura
  - Aulas de arte
  - Aulas de artesanato
  - Aulas de dança
  - Aulas de pintura
- Preço**

**Crée a sua Aquarela com Hugo do Lago no Porto** € 25,00 C

5.0 (63)

Crée a sua própria lembrança para recordar o seu tempo no Porto durante este workshop de aquarela. Junte-se a um pequeno grupo e aprenda a manipular as tintas para criar sua própria arte. [Mais](#)

2 horas

Português, Inglês

Cancelamento gratuito

**Oficina criativa de objetos únicos e originais** € 30,00 C

4.5 (3)

Nesta animação convidamo-lo a passar 30 minutos na nossa oficina de criação, fazendo a sua joalheria ou outros objectos típicos do Porto como os sardinhas. A dos passos do portie Luis em Vila Nova. [Mais](#)

1 hora 30 minutos

Português, Inglês

Cancelamento gratuito

**Workshops Criativos para Mulheres** € 30,00 C

Oficinas Criativas. Vamos Relaxar com o tema Criatividade? Somos um Atelier dedicado exclusivamente a criatividades feminina, a proporcionar momentos de partilha e relaxamento através di. [Mais](#)

1 hora

Português, Inglês

Cancelamento gratuito

### Exhibit 31: Workshops in Porto (including prices)

Source: *Odisseias*



### Exhibit 32: Depreciations

Source: *Diário da República Eletrónico*

Grupo 5 — Elementos diversos		
Artigos de conforto e decoração (b):		
2400	Alcatifas .....	25
2405	Outros .....	12,5
2410	Encerados .....	50
2415	Equipamento publicitário colocado na via pública .....	12,5
2420	Filmes, discos e cassettes .....	25
2425	Material de desenho e topografia .....	12,5
2430	Mobiliário (d) (e) .....	12,5
2435	Moldes, matrizes, formas e cunhos .....	25
2440	Programas de computadores .....	33,33
Taras e vasilhame:		
2445	De madeira .....	20
2450	De metal .....	14,28
2455	De outros materiais .....	33,33
DIVISÃO II		
Activos intangíveis		
2470	Projectos de desenvolvimento .....	33,33
2475	Elementos da propriedade industrial, tais como patentes, marcas, alvarás, processos de produção, moldes ou outros direitos assimilados, adquiridos a título oneroso e cuja utilização exclusiva seja reconhecida por um período limitado de tempo .....	(d)

(a) Tratando-se de edifícios onde se exerçam actividades enquadráveis em mais de uma das rubricas, o regime de depreciação será determinado pela classificação que lhes couber face à característica neles predominante.  
 (b) Excluem-se os móveis e objectos de arte e antiguidades.  
 (c) O mobiliário e outros elementos afectos a centros de formação profissional são depreciados à taxa máxima anual de 16,66% se taxa máxica elevada não estiver fixada na presente tabela.  
 (d) A taxa de amortização é determinada em função do período de tempo em que tiver lugar a utilização exclusiva.

### Exhibit 33: Financial Costs – Linha Capitalizar Mais

Source: *Demonstrations in Excel*

Debt Cost Calculation					
Bank Loan - LINHA CAPITALIZAR MAIS					
Amount	20 000 €	2022	2023		
Total Period	10 YEARS	- €	20 000 €	- €	
Payback Period	8 YEARS				
Grace Period	2 YEARS				
Interest rate	3,25% (Euribor 2,5% + Spread 0,75%)				
YEARS	Debt at the beginning of the period	Interest cost	Capital Payment	Total Payment per year	Debt at the end of the period
2023	20 000 €	650 €	- €	650 €	20 000 €
2024	20 000 €	650 €	- €	650 €	20 000 €
2025	20 000 €	650 €	2 581 €	3 231 €	17 419 €
2026	17 419 €	566 €	2 665 €	3 231 €	14 754 €
2027	14 754 €	479 €	2 752 €	3 231 €	12 002 €
2028	12 002 €	390 €	2 841 €	3 231 €	9 161 €
2029	9 161 €	298 €	2 934 €	3 231 €	6 227 €
2030	6 227 €	202 €	3 029 €	3 231 €	3 198 €
	3 198 €	104 €	3 127 €	3 231 €	71 €
	71 €	2 €	71 €	73 €	- €

## Exhibit 34: 5-Year Projections for Once Upon a Time Upcycling Store

Source: Demonstrations in Excel

Year		2023	2024	2025	2026	2027
Inflation rate	2%					
<b>Revenues</b>						
<b>Sales</b>						
	<b>Total Number of Clients</b>	<b>17019</b>	<b>17530</b>	<b>18056</b>	<b>18598</b>	<b>19155</b>
<b>Upcycled Products From Social Mission</b>						
	Number of clients	55%	9361	9641	9931	10229
	Average items sold per client		1	9641	10229	10536
	Average price		10,00 €	10,20 €	10,40 €	10,61 €
	<b>SubTotal 1</b>		<b>96 414,77 €</b>	<b>101 293,36 €</b>	<b>106 418,80 €</b>	<b>111 803,59 €</b>
<b>Upcycled Products From Brands</b>						
	Number of clients	40%	7012	7222	7439	7662
	Average items sold per client		1	7012	7222	7439
	Average price		15,00 €	15,30 €	15,61 €	15,92 €
	<b>SubTotal 2</b>		<b>105 179,75 €</b>	<b>110 501,85 €</b>	<b>116 093,24 €</b>	<b>121 967,56 €</b>
<b>Upcycled Products From Artists</b>						
	Number of clients	5%	876	903	930	958
	Average items sold per client		1	876	903	930
	Average price		45,00 €	45,90 €	46,82 €	47,75 €
	<b>SubTotal 3</b>		<b>39 442,41 €</b>	<b>41 438,19 €</b>	<b>43 534,96 €</b>	<b>45 737,83 €</b>
	<b>Total sales of upcycled products</b>		<b>241 036,93 €</b>	<b>253 233,40 €</b>	<b>266 047,01 €</b>	<b>279 508,98 €</b>
<b>Services</b>						
<b>Workshops</b>						
<b>B2C</b>						
	Number of workshops per month		2	6	8	10
	Average workshops per year		24	72	96	120
	Average number of participants per workshop		6	6	6	6
	Average price per person		17,50 €	17,85 €	18,21 €	18,57 €
	<b>SubTotal 1</b>		<b>2 520,00 €</b>	<b>7 711,20 €</b>	<b>10 487,23 €</b>	<b>13 371,22 €</b>
	(20% of this revenues is generated by tourism platforms)		504,00 €	1 542,24 €	2 097,45 €	2 674,24 €
<b>B2B Companies (team building)</b>						
	Average workshops per year		4	6	7	7
	Average price per session		750,00 €	765,00 €	780,30 €	795,91 €
	<b>SubTotal 2</b>		<b>3 000,00 €</b>	<b>4 590,00 €</b>	<b>5 149,98 €</b>	<b>6 483,23 €</b>
<b>B2B Schools (extra curriculum activities)</b>						
	Average workshops/schools per year		3	4	4	5
	Number of classes per workshop		2	2	2	2
	Number of students per class		28	28	28	28
	Average price per student		5,00 €	5,10 €	5,20 €	5,31 €
	<b>SubTotal 3</b>		<b>840,00 €</b>	<b>1 142,40 €</b>	<b>1 409,95 €</b>	<b>2 147,71 €</b>
	<b>Total sales of workshops</b>		<b>6 360,00 €</b>	<b>13 443,60 €</b>	<b>17 047,16 €</b>	<b>24 997,31 €</b>
<b>Donations</b>			8 000,00 €	8 000,00 €	8 000,00 €	8 000,00 €
<b>Total Revenue</b>			<b>255 396,93 €</b>	<b>274 677,00 €</b>	<b>291 094,17 €</b>	<b>308 398,64 €</b>
<b>Costs</b>						
<b>Cost of Sales</b>	15%		36 155,54 €	37 985,01 €	39 907,05 €	41 926,35 €
<b>Current Tools for Workshops Consumables for warehouse</b>	15%		954,00 €	2 016,54 €	2 557,07 €	3 133,45 €
<b>Consumables and maintenance costs for upcycling store</b>		Cost per month	500,00 €	6 000,00 €	6 120,00 €	6 242,40 €
		Cost per month	500,00 €	6 000,00 €	6 120,00 €	6 242,40 €
<b>Commissions</b>						
	Social Mission	30%	28 924,43 €	30 388,01 €	31 925,64 €	33 541,08 €
	Upcycled Products Brands	70%	73 625,82 €	77 351,29 €	81 265,27 €	85 377,29 €
	Upcycled Products Artists	70%	27 609,68 €	29 006,73 €	30 474,48 €	32 016,48 €
	B2P (tourism platforms)	25%	126,00 €	385,56 €	524,36 €	668,56 €
	<b>Total of commissions</b>		<b>130 285,94 €</b>	<b>137 131,59 €</b>	<b>144 189,74 €</b>	<b>151 603,41 €</b>
<b>Marketing expenses</b>	7,5%		19 154,77 €	20 600,77 €	21 832,06 €	23 129,90 €
<b>Store's Insurance</b>		Cost per month	300,00 €	3 600,00 €	3 672,00 €	3 820,35 €
<b>Personnel Costs</b>						
	Number of Staff members		3			
	Average Gross Salary		1 150,00 €			
	Social Security + Insurance		24,75%			
	<b>Total Personnel Costs</b>		<b>60 254,25 €</b>	<b>61 459,34 €</b>	<b>62 688,52 €</b>	<b>63 942,29 €</b>
<b>Depreciations</b>			2 865,00 €	2 865,00 €	2 865,00 €	1 875,00 €
<b>Total Operating Costs</b>			<b>265 269,50 €</b>	<b>277 970,25 €</b>	<b>290 269,69 €</b>	<b>302 165,24 €</b>
<b>Financial Costs</b>			650 €	650 €	650 €	566 €
<b>Total Costs</b>			<b>265 919,50 €</b>	<b>278 620,25 €</b>	<b>290 919,69 €</b>	<b>302 731,35 €</b>
<b>CAPEX   Initial Investment</b>						
<b>Website development</b>	3 000,00 €	33%	3-year depreciation			
<b>Equipment and Decoration of the store</b>	15 000,00 €	12,50%	8-year depreciation			

## Exhibit 35: P&L Analysis of the New Upcycling Store

Source: Demonstrations in Excel

P&L						
2023-2027						
The New Once Upon a Time Upcycling Store   Revenues and Costs	2023	2024	2025	2026	2027	
Sales and Services	247 396,93 €	266 677,00 €	283 094,17 €	300 398,64 €	318 649,45 €	
Subsidies	8 000,00 €	8 000,00 €	8 000,00 €	8 000,00 €	8 000,00 €	
ISS, IP - Centros Distritais						
Others						
COGS	- 36 155,54 €	- 37 985,01 €	- 39 907,05 €	- 41 926,35 €	- 44 047,82 €	
External Services	- 165 994,71 €	- 175 660,91 €	- 184 809,12 €	- 194 421,60 €	- 204 524,72 €	
HR Costs	- 60 254,25 €	- 61 459,34 €	- 62 688,52 €	- 63 942,29 €	- 65 221,14 €	
Debt (Imparidades de dívidas a receber (perdas/reversões))						
Other Revenues						
Other Costs						
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>- 7 007,57 €</b>	<b>- 428,26 €</b>	<b>3 689,47 €</b>	<b>8 108,40 €</b>	<b>12 855,77 €</b>	
Depreciations	- 2 865,00 €	- 2 865,00 €	- 2 865,00 €	- 1 875,00 €	- 1 875,00 €	
<b>EBIT (Earnings before Interests and taxes)</b>	<b>- 9 872,57 €</b>	<b>- 3 293,26 €</b>	<b>824,47 €</b>	<b>6 233,40 €</b>	<b>10 980,77 €</b>	
Interests and similar revenues obtained						
Interests and similar costs supported	- 650,00 €	- 650,00 €	- 650,00 €	- 566,11 €	- 479,49 €	
<b>Profit before taxes</b>	<b>- 10 522,57 €</b>	<b>- 3 943,26 €</b>	<b>174,47 €</b>	<b>5 667,29 €</b>	<b>10 501,28 €</b>	
Income taxes	- €	- €	- €	- €	- €	
<b>Net Income</b>	<b>- 10 522,57 €</b>	<b>- 3 943,26 €</b>	<b>174,47 €</b>	<b>5 667,29 €</b>	<b>10 501,28 €</b>	

Total Revenues 255 396,93 € 274 677,00 € 291 094,17 € 308 398,64 € 326 649,45 €  
 Total Costs (excluding interests) - 262 404,50 € - 275 105,25 € - 287 404,69 € - 300 290,24 € - 313 793,68 €

## Exhibit 36: The New Upcycling Store – Project Evaluation

Source: Demonstrations in Excel

	2023	2024	2025	2026	2027
<b>Project's EBITDA</b>	- 7 007,57 €	- 428,26 €	3 689,47 €	8 108,40 €	12 855,77 €
<b>CAPEX</b>	- 18 000,00 €				
<b>Net Book Value</b>					5 655,00 €
<b>Total</b>	- 25 007,57 €	- 428,26 €	3 689,47 €	8 108,40 €	18 510,77 €

<b>WACC</b>	4,34%
<b>NPV (4,34%)</b>	696,63 €
<b>IRR</b>	5,20%
<b>Payback</b>	3,62 years
<b>Break-even</b>	3,85 2026,85

Outubro de 2026

## Exhibit 37: The New Upcycling Store – Project Evaluation – Data Tables

Source: Demonstrations in Excel

	atv 1 sales	atv 2 workshops
Sold Qty	17530	316
Unit Price	13,75 €	20,13 €
Cost per unit	9,49 €	3,42 €
Fixed costs	95 991,20 €	2 532,82 €
Other Income	7 794,34 €	205,66 €
<b>EBIT</b>	- 13 475,41 €	2 952,84 €

Upcycled Products												
13 475,41 €	13000	14000	15000	16000	17000	17530	18000	19000	20000	21000	22000	23000
9,50 €	- 88 034,36 €	- 88 021,86 €	- 88 009,36 €	- 87 996,86 €	- 87 984,36 €	- 87 971,86 €	- 87 959,36 €	- 87 946,86 €	- 87 934,36 €	- 87 921,86 €	- 87 909,36 €	- 87 896,86 €
10,00 €	- 81 534,36 €	- 81 021,86 €	- 80 509,36 €	- 79 996,86 €	- 79 484,36 €	- 79 212,75 €	- 78 971,86 €	- 78 459,36 €	- 77 946,86 €	- 77 434,36 €	- 76 921,86 €	- 76 409,36 €
10,50 €	- 75 034,36 €	- 74 021,86 €	- 73 009,36 €	- 71 996,86 €	- 70 984,36 €	- 70 447,77 €	- 69 971,86 €	- 68 959,36 €	- 67 946,86 €	- 66 934,36 €	- 65 921,86 €	- 64 909,36 €
11,00 €	- 68 534,36 €	- 67 021,86 €	- 65 509,36 €	- 63 996,86 €	- 62 484,36 €	- 61 682,80 €	- 60 971,86 €	- 59 459,36 €	- 57 946,86 €	- 56 434,36 €	- 54 921,86 €	- 53 409,36 €
11,50 €	- 62 034,36 €	- 60 021,86 €	- 58 009,36 €	- 55 996,86 €	- 53 984,36 €	- 52 917,82 €	- 51 971,86 €	- 49 959,36 €	- 47 946,86 €	- 45 934,36 €	- 43 921,86 €	- 41 909,36 €
12,00 €	- 55 534,36 €	- 53 021,86 €	- 50 509,36 €	- 47 996,86 €	- 45 484,36 €	- 44 152,84 €	- 42 971,86 €	- 40 959,36 €	- 37 946,86 €	- 35 434,36 €	- 32 921,86 €	- 30 409,36 €
12,50 €	- 49 034,36 €	- 46 021,86 €	- 43 009,36 €	- 39 996,86 €	- 36 984,36 €	- 35 387,88 €	- 33 971,86 €	- 30 959,36 €	- 27 946,86 €	- 24 934,36 €	- 21 921,86 €	- 18 909,36 €
13,00 €	- 42 534,36 €	- 39 021,86 €	- 35 509,36 €	- 31 996,86 €	- 28 484,36 €	- 26 622,88 €	- 24 971,86 €	- 21 959,36 €	- 17 946,86 €	- 14 434,36 €	- 10 921,86 €	- 7 409,36 €
13,50 €	- 36 034,36 €	- 32 021,86 €	- 28 009,36 €	- 23 996,86 €	- 19 984,36 €	- 17 857,90 €	- 15 971,86 €	- 11 959,36 €	- 7 946,86 €	- 3 934,36 €	- 78,14 €	- 4 090,64 €
13,75 €	- 32 784,36 €	- 28 521,86 €	- 24 259,36 €	- 19 996,86 €	- 15 734,36 €	- 13 475,41 €	- 11 471,86 €	- 7 209,36 €	- 2 946,86 €	- 1 315,64 €	- 5 578,14 €	- 9 940,64 €
14,00 €	- 29 534,36 €	- 25 021,86 €	- 20 509,36 €	- 15 996,86 €	- 11 484,36 €	- 9 092,92 €	- 6 971,86 €	- 2 459,36 €	- 2 053,14 €	- 6 565,64 €	- 11 078,14 €	- 15 590,64 €
14,50 €	- 23 034,36 €	- 18 021,86 €	- 13 009,36 €	- 7 996,86 €	- 2 984,36 €	- 3 27,94 €	- 2 028,14 €	- 7 040,64 €	- 12 053,14 €	- 17 065,64 €	- 22 078,14 €	- 27 090,64 €
15,00 €	- 16 534,36 €	- 11 021,86 €	- 5 509,36 €	- 3,14 €	- 5 515,64 €	- 8 437,04 €	- 11 028,14 €	- 16 540,64 €	- 22 053,14 €	- 27 565,64 €	- 33 078,14 €	- 38 590,64 €
15,50 €	- 10 034,36 €	- 4 021,86 €	- 1 990,64 €	- 8 003,14 €	- 14 015,64 €	- 17 202,02 €	- 20 028,14 €	- 26 040,64 €	- 32 053,14 €	- 38 065,64 €	- 44 078,14 €	- 50 090,64 €
16,00 €	- 3 534,36 €	- 2 978,14 €	- 9 490,64 €	- 16 003,14 €	- 22 515,64 €	- 25 967,00 €	- 29 028,14 €	- 35 540,64 €	- 42 053,14 €	- 48 565,64 €	- 55 078,14 €	- 61 590,64 €
16,50 €	- 2 965,64 €	- 9 978,14 €	- 16 990,64 €	- 24 003,14 €	- 31 015,64 €	- 34 731,98 €	- 38 028,14 €	- 45 040,64 €	- 52 053,14 €	- 59 065,64 €	- 66 078,14 €	- 73 090,64 €
17,00 €	- 9 465,64 €	- 16 978,14 €	- 24 490,64 €	- 32 003,14 €	- 39 515,64 €	- 43 496,95 €	- 47 028,14 €	- 54 540,64 €	- 62 053,14 €	- 69 565,64 €	- 77 078,14 €	- 84 590,64 €
17,50 €	- 15 965,64 €	- 23 978,14 €	- 31 990,64 €	- 40 003,14 €	- 48 015,64 €	- 52 261,93 €	- 56 028,14 €	- 64 040,64 €	- 72 053,14 €	- 80 065,64 €	- 88 078,14 €	- 96 090,64 €
18,00 €	- 22 465,64 €	- 30 978,14 €	- 39 490,64 €	- 48 003,14 €	- 56 515,64 €	- 61 026,91 €	- 65 028,14 €	- 73 540,64 €	- 82 053,14 €	- 90 565,64 €	- 99 078,14 €	- 107 590,64 €

Workshops												
2 952,84 €	250	275	300	316	325	350	375	400	425	450	475	500
6 €	- 1 681,59 €	- 1 617,04 €	- 1 552,48 €	- 1 511,16 €	- 1 487,92 €	- 1 423,36 €	- 1 358,81 €	- 1 294,25 €	- 1 229,69 €	- 1 165,14 €	- 1 100,58 €	- 1 036,02 €
12 €	- 1 818,59 €	- 32,96 €	- 247,52 €	- 384,84 €	- 462,08 €	- 676,64 €	- 891,19 €	- 1 105,75 €	- 1 320,31 €	- 1 534,86 €	- 1 749,42 €	- 1 963,98 €
18 €	- 1 318,41 €	- 1 682,96 €	- 2 047,52 €	- 2 280,84 €	- 2 412,08 €	- 2 776,64 €	- 3 141,19 €	- 3 505,75 €	- 3 870,31 €	- 4 234,86 €	- 4 599,42 €	- 4 963,98 €
20,13 €	- 1 850,05 €	- 2 267,77 €	- 2 685,50 €	- 2 952,84 €	- 3 103,22 €	- 3 520,94 €	- 3 938,66 €	- 4 356,38 €	- 4 774,10 €	- 5 191,83 €	- 5 609,55 €	- 6 027,27 €
24 €	- 2 818,41 €	- 3 332,96 €	- 3 847,52 €	- 4 176,84 €	- 4 362,08 €	- 4 876,64 €	- 5 391,19 €	- 5 905,75 €	- 6 420,31 €	- 6 934,86 €	- 7 449,42 €	- 7 963,98 €
30 €	- 4 318,41 €	- 4 982,96 €	- 5 647,52 €	- 6 072,84 €	- 6 312,08 €	- 6 976,64 €	- 7 641,19 €	- 8 305,75 €	- 8 970,31 €	- 9 634,86 €	- 10 299,42 €	- 10 963,98 €
36 €	- 5 818,41 €	- 6 632,96 €	- 7 447,52 €	- 7 968,84 €	- 8 262,08 €	- 9 076,64 €	- 9 891,19 €	- 10 705,75 €	- 11 520,31 €	- 12 334,86 €	- 13 149,42 €	- 13 963,98 €
42 €	- 7 318,41 €	- 8 282,96 €	- 9 247,52 €	- 9 864,84 €	- 10 212,08 €	- 11 176,64 €	- 12 141,19 €	- 13 105,75 €	- 14 070,31 €	- 15 034,86 €	- 15 999,42 €	- 16 963,98 €
48 €	- 8 818,41 €	- 9 932,96 €	- 11 047,52 €	- 11 760,84 €	- 12 162,08 €	- 13 276,64 €	- 14 391,19 €	- 15 505,75 €	- 16 620,31 €	- 17 734,86 €	- 18 849,42 €	- 19 963,98 €
54 €	- 10 318,41 €	- 11 582,96 €	- 12 847,52 €	- 13 656,84 €	- 14 112,08 €	- 15 376,64 €	- 16 641,19 €	- 17 905,75 €	- 19 170,31 €	- 20 434,86 €	- 21 699,42 €	- 22 963,98 €
60 €	- 11 818,41 €	- 13 232,96 €	- 14 647,52 €	- 15 552,84 €	- 16 062,08 €	- 17 476,64 €	- 18 891,19 €	- 20 305,75 €	- 21 720,31 €	- 23 134,86 €	- 24 549,42 €	- 25 963,98 €

### Exhibit 38: The New Upcycling Store – Project Evaluation – Sensitivity Analysis 0

Source: Demonstrations in Excel

Expected Scenery					
% of Customers that are Tourists	0,45%				
Numer of Customers	17846	18718	19451	20211	20999
Unit Selling Price	13,86 €	14,25 €	14,55 €	14,86 €	15,17 €
Unit Selling Cost	9,38 €	9,46 €	9,60 €	9,73 €	9,87 €
Fixed Costs - Other Revenues	90 524,02 €	93 487,11 €	96 265,82 €	98 068,14 €	100 960,28 €
WACC	4,34%				
Project Period	8				
Year	1	2	3	4	5
<b>Cash flow of Investment</b>	<b>-18 000,00 €</b>				
Cash flow de exploração					
Revenues	247 396,93 €	266 677,00 €	283 094,17 €	300 398,64 €	318 649,45 €
Variable Costs	167 395,48 €	177 133,14 €	186 653,87 €	196 663,21 €	207 187,89 €
Fixed Costs	87 009,02 €	89 972,11 €	92 750,82 €	95 627,04 €	98 605,79 €
Depreciations	2 865,00 €	2 865,00 €	2 865,00 €	1 875,00 €	1 875,00 €
Financial Costs	650,00 €	650,00 €	650,00 €	566,11 €	479,49 €
EBITDA	-10 522,57 €	-3 943,26 €	174,47 €	5 667,29 €	10 501,28 €
Interests	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Net Income	-10 522,57 €	-3 943,26 €	174,47 €	5 667,29 €	10 501,28 €
EBIT	-7 007,57 €	-428,26 €	3 689,47 €	8 108,40 €	12 855,77 €
Net Book Value					5 655,00 €
Total Cash flow	-25 007,57 €	-428,26 €	3 689,47 €	8 108,40 €	18 510,77 €
NPV	696,63 €				

### Exhibit 39: The New Upcycling Store – Project Evaluation – Sensitivity Analysis Scenario 1

Source: Demonstrations in Excel

Sensitivity Analysis			
	Expected	Optimistic	Pessimistic
<b>Variable cells:</b>			
Customers	17846	21800	7800
Unit Selling Price	13,86 €	18,00 €	10,00 €
Unit Selling Cost	9,38 €	12,50 €	7,50 €
Fixed Costs	90 524,02 €	90 524,02 €	90 524,02 €
<b>Result Cells:</b>			
NPV	696,63 €	38 935,61 €	-57 288,28 €

### Exhibit 40: The New Upcycling Store – Project Evaluation – Sensitivity Analysis Scenario 2

Source: Demonstrations in Excel

Sensitivity Analysis			
	Expected	Optimistic	Pessimistic
<b>Variable cells:</b>			
Customers	17846	19630	16060
Unit Selling Price	13,86 €	13,86 €	13,86 €
Unit Selling Cost	9,38 €	9,38 €	9,38 €
Fixed Costs	90 524,02 €	90 524,02 €	90 524,02 €
<b>Result Cells:</b>			
NPV	696,63 €	8 361,61 €	-6 976,62 €

### Exhibit 41: The New Upcycling Store – Project Evaluation – Sensitivity Analysis Scenario 3

Source: Demonstrations in Excel

Sensitivity Analysis			
	Expected	Optimistic	Pessimistic
<b>Variable cells:</b>			
Customers	17846	19630	16060
Unit Selling Price	13,86 €	15,00 €	13,86 €
Unit Selling Cost	9,38 €	9,38 €	9,38 €
Fixed Costs	90 524,02 €	90 524,02 €	90 524,02 €
<b>Result Cells:</b>			
NPV	696,63 €	29 754,25 €	-6 976,62 €

### Exhibit 42: The New Upcycling Store – Project Evaluation – Sensitivity Analysis Scenario 4

Source: Demonstrations in Excel

Sensitivity Analysis			
	Expected	Optimistic	Pessimistic
<b>Variable cells:</b>			
Customers	17846	17846	17846
Unit Selling Price	13,86 €	17,50 €	13,00 €
Unit Selling Cost	9,38 €	9,38 €	9,38 €
Fixed Costs	90 524,02 €	90 524,02 €	90 524,02 €
<b>Result Cells:</b>			
NPV	696,63 €	62 904,17 €	-14 062,30 €

## Exhibit 43: The New Upcycling Store – Financial Impacts for ATNP

Source: Demonstrations in Excel

Everything remains constant without the new store							
P&L - ATNP (projections)	2021	2022	2023	2024	2025	2026	2027
Sales and Services	431 714,39 €	431 714,39 €	431 714,39 €	431 714,39 €	431 714,39 €	431 714,39 €	431 714,39 €
Subsidies	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €
ISS, IP - Centros Distritais	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €
Others	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €
COGS	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €
External Services	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €
HR Costs	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €
Debt (Imparidades de dívidas a receber (perdas/reversões))	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €
Other Revenues	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €
Other Costs	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>- 11 642,33 €</b>	<b>- 11 642,33 €</b>	<b>- 11 642,33 €</b>	<b>- 11 642,33 €</b>	<b>- 11 642,33 €</b>	<b>- 11 642,33 €</b>	<b>- 11 642,33 €</b>
Depreciations	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €
<b>EBIT (Earnings before Interests and taxes)</b>	<b>- 27 789,64 €</b>	<b>- 27 789,64 €</b>	<b>- 27 789,64 €</b>	<b>- 27 789,64 €</b>	<b>- 27 789,64 €</b>	<b>- 27 789,64 €</b>	<b>- 27 789,64 €</b>
Interests and similar revenues obtained	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €
Interests and similar costs supported	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €
<b>Profit before taxes</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>
Income taxes	- €	- €	- €	- €	- €	- €	- €
<b>Net Income</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>

Everything remains constant form 2023-2027							
P&L - ATNP (with Once U Time projections)	2021	2022	2023	2024	2025	2026	2027
Sales and Services	431 714,39 €	431 714,39 €	679 111,32 €	698 391,39 €	714 808,56 €	732 113,03 €	750 363,84 €
Subsidies	487 125,97 €	487 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €
ISS, IP - Centros Distritais	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €
Others	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €
COGS	- 40 537,88 €	- 40 537,88 €	- 76 693,42 €	- 78 522,89 €	- 80 444,93 €	- 82 464,23 €	- 84 585,70 €
External Services	- 135 504,58 €	- 135 504,58 €	- 301 499,29 €	- 311 165,49 €	- 320 313,70 €	- 329 926,18 €	- 340 029,30 €
HR Costs	- 757 508,01 €	- 757 508,01 €	- 817 762,26 €	- 818 967,35 €	- 820 196,53 €	- 821 450,30 €	- 822 729,15 €
Debt (Imparidades de dívidas a receber (perdas/reversões))	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €
Other Revenues	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €
Other Costs	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>- 11 642,33 €</b>	<b>- 11 642,33 €</b>	<b>- 18 649,90 €</b>	<b>- 12 070,59 €</b>	<b>- 7 952,86 €</b>	<b>- 3 533,93 €</b>	<b>- 1 213,44 €</b>
Depreciations	- 16 147,31 €	- 16 147,31 €	- 19 012,31 €	- 19 012,31 €	- 19 012,31 €	- 18 022,31 €	- 18 022,31 €
<b>EBIT (Earnings before Interests and taxes)</b>	<b>- 27 789,64 €</b>	<b>- 27 789,64 €</b>	<b>- 37 662,21 €</b>	<b>- 31 082,90 €</b>	<b>- 26 965,17 €</b>	<b>- 21 556,24 €</b>	<b>- 16 808,67 €</b>
Interests and similar revenues obtained	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €
Interests and similar costs supported	- 3 183,87 €	- 3 183,87 €	- 3 833,87 €	- 3 833,87 €	- 3 833,87 €	- 3 749,98 €	- 3 663,36 €
<b>Profit before taxes</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 41 493,54 €</b>	<b>- 34 914,23 €</b>	<b>- 30 796,50 €</b>	<b>- 25 303,68 €</b>	<b>- 20 469,69 €</b>
Income taxes	- €	- €	- €	- €	- €	- €	- €
<b>Net Income</b>	<b>- 30 970,97 €</b>	<b>- 30 970,97 €</b>	<b>- 41 493,54 €</b>	<b>- 34 914,23 €</b>	<b>- 30 796,50 €</b>	<b>- 25 303,68 €</b>	<b>- 20 469,69 €</b>

Costs remain constant and sales increase by 2% without the new store							
Rendimentos e Gastos - ATNP (with projections)	2021	2022	2023	2024	2025	2026	2027
Sales and Services	431 714,39 €	440 348,68 €	449 155,65 €	458 138,76 €	467 301,54 €	476 647,57 €	486 180,52 €
Subsidies	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €
ISS, IP - Centros Distritais	389 606,53 €	397 398,66 €	405 346,63 €	413 453,57 €	421 722,64 €	430 157,09 €	438 760,23 €
Others	97 519,44 €	99 469,83 €	101 459,23 €	103 488,41 €	105 558,18 €	107 669,34 €	109 822,73 €
COGS	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €	- 40 537,88 €
External Services	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €
HR Costs	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €
Debt (Imparidades de dívidas a receber (perdas/reversões))	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €
Other Revenues	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €
Other Costs	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>- 11 642,33 €</b>	<b>- 3 008,04 €</b>	<b>5 798,93 €</b>	<b>14 782,04 €</b>	<b>23 944,82 €</b>	<b>33 290,85 €</b>	<b>42 823,80 €</b>
Depreciations	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €
<b>EBIT (Earnings before Interests and taxes)</b>	<b>- 27 789,64 €</b>	<b>- 19 155,35 €</b>	<b>- 10 348,38 €</b>	<b>- 1 365,27 €</b>	<b>7 797,51 €</b>	<b>17 143,54 €</b>	<b>26 676,49 €</b>
Interests and similar revenues obtained	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €
Interests and similar costs supported	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €
<b>Profit before taxes</b>	<b>- 30 970,97 €</b>	<b>- 22 341,76 €</b>	<b>- 13 534,79 €</b>	<b>- 4 551,68 €</b>	<b>4 611,10 €</b>	<b>13 957,13 €</b>	<b>23 490,08 €</b>
Income taxes	- €	- €	- €	- €	- €	- €	- €
<b>Net Income</b>	<b>- 30 970,97 €</b>	<b>- 22 341,76 €</b>	<b>- 13 534,79 €</b>	<b>- 4 551,68 €</b>	<b>4 611,10 €</b>	<b>13 957,13 €</b>	<b>23 490,08 €</b>

Costs remain constant and sales increase by 2% with the new store							
Rendimentos e Gastos - ATNP (with projections)	2021	2022	2023	2024	2025	2026	2027
Sales and Services	431 714,39 €	440 348,68 €	696 552,58 €	724 815,76 €	750 395,71 €	777 046,21 €	804 829,97 €
Subsidies	487 125,97 €	487 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €
ISS, IP - Centros Distritais	389 606,53 €	397 398,66 €	405 346,63 €	413 453,57 €	421 722,64 €	430 157,09 €	438 760,23 €
Others	97 519,44 €	99 469,83 €	101 459,23 €	103 488,41 €	105 558,18 €	107 669,34 €	109 822,73 €
COGS	- 40 537,88 €	- 40 537,88 €	- 76 693,42 €	- 78 522,89 €	- 80 444,93 €	- 82 464,23 €	- 84 585,70 €
External Services	- 135 504,58 €	- 135 504,58 €	- 301 499,29 €	- 311 165,49 €	- 320 313,70 €	- 329 926,18 €	- 340 029,30 €
HR Costs	- 757 508,01 €	- 757 508,01 €	- 817 762,26 €	- 818 967,35 €	- 820 196,53 €	- 821 450,30 €	- 822 729,15 €
Debt (Imparidades de dívidas a receber (perdas/reversões))	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €
Other Revenues	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €
Other Costs	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>	<b>- 11 642,33 €</b>	<b>- 3 008,04 €</b>	<b>- 1 208,64 €</b>	<b>14 353,79 €</b>	<b>27 634,29 €</b>	<b>41 399,25 €</b>	<b>55 679,57 €</b>
Depreciations	- 16 147,31 €	- 16 147,31 €	- 19 012,31 €	- 19 012,31 €	- 19 012,31 €	- 18 022,31 €	- 18 022,31 €
<b>EBIT (Earnings before Interests and taxes)</b>	<b>- 27 789,64 €</b>	<b>- 19 155,35 €</b>	<b>- 20 220,95 €</b>	<b>- 4 658,52 €</b>	<b>8 621,98 €</b>	<b>23 376,94 €</b>	<b>37 657,26 €</b>
Interests and similar revenues obtained	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €
Interests and similar costs supported	- 3 183,87 €	- 3 183,87 €	- 3 833,87 €	- 3 833,87 €	- 3 833,87 €	- 3 749,98 €	- 3 663,36 €
<b>Profit before taxes</b>	<b>- 30 970,97 €</b>	<b>- 22 341,76 €</b>	<b>- 24 052,28 €</b>	<b>- 8 489,85 €</b>	<b>4 790,65 €</b>	<b>19 629,50 €</b>	<b>33 996,44 €</b>
Income taxes	- €	- €	- €	- €	- €	- €	- €
<b>Net Income</b>	<b>- 30 970,97 €</b>	<b>- 22 341,76 €</b>	<b>- 24 052,28 €</b>	<b>- 8 489,85 €</b>	<b>4 790,65 €</b>	<b>19 629,50 €</b>	<b>33 996,44 €</b>

Costs and revenues increase by 2% without the new store		2%						
Rendimentos e Gastos - ATNP (with projections)		2021	2022	2023	2024	2025	2026	2027
Sales and Services		431 714,39 €	440 348,68 €	449 155,65 €	458 138,76 €	467 301,54 €	476 647,57 €	486 180,52 €
Subsidies		487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €	487 125,97 €
ISS, IP - Centros Distritais		389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €
Others		97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €
COGS		- 40 537,88 €	- 41 348,64 €	- 42 175,61 €	- 43 019,12 €	- 43 879,51 €	- 44 757,10 €	- 45 652,24 €
External Services		- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €	- 135 504,58 €
HR Costs		- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €	- 757 508,01 €
Debt (Imparidades de dívidas a receber (perdas/reversões))		- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €
Other Revenues		13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €
Other Costs		- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>		<b>11 642,33 €</b>	<b>3 818,80 €</b>	<b>4 161,20 €</b>	<b>12 300,80 €</b>	<b>20 603,19 €</b>	<b>29 071,64 €</b>	<b>37 709,44 €</b>
Depreciations		- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €	- 16 147,31 €
<b>EBIT (Earnings before Interests and taxes)</b>		<b>- 27 789,64 €</b>	<b>- 19 966,11 €</b>	<b>- 11 986,11 €</b>	<b>- 3 846,51 €</b>	<b>4 455,88 €</b>	<b>12 924,33 €</b>	<b>21 562,13 €</b>
Interests and similar revenues obtained		2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €
Interests and similar costs supported		- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €	- 3 183,87 €
<b>Profit before taxes</b>		<b>- 30 976,05 €</b>	<b>- 23 152,52 €</b>	<b>- 15 172,52 €</b>	<b>- 7 032,92 €</b>	<b>1 269,47 €</b>	<b>9 737,92 €</b>	<b>18 375,72 €</b>
Income taxes		- €	- €	- €	- €	- €	- €	- €
<b>Net Income</b>		<b>- 30 976,05 €</b>	<b>- 23 152,52 €</b>	<b>- 15 172,52 €</b>	<b>- 7 032,92 €</b>	<b>1 269,47 €</b>	<b>9 737,92 €</b>	<b>18 375,72 €</b>

Costs and revenues increase by 2%		2%						
Rendimentos e Gastos - ATNP (with projections)		2021	2022	2023	2024	2025	2026	2027
Sales and Services		431 714,39 €	440 348,68 €	696 552,58 €	724 815,76 €	750 395,71 €	777 046,21 €	804 829,97 €
Subsidies		487 125,97 €	487 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €	495 125,97 €
ISS, IP - Centros Distritais		389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €	389 606,53 €
Others		97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €	97 519,44 €
COGS		- 40 537,88 €	- 41 348,64 €	- 78 331,15 €	- 81 004,13 €	- 83 786,56 €	- 86 683,44 €	- 89 700,06 €
External Services		- 135 504,58 €	- 135 504,58 €	- 301 499,29 €	- 311 165,49 €	- 320 313,70 €	- 329 926,18 €	- 340 029,30 €
HR Costs		- 757 508,01 €	- 757 508,01 €	- 817 762,26 €	- 818 967,35 €	- 820 196,53 €	- 821 450,30 €	- 822 729,15 €
Debt (Imparidades de dívidas a receber (perdas/reversões))		- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €	- 4 213,92 €
Other Revenues		13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €	13 654,71 €
Other Costs		- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €	- 6 373,01 €
<b>EBITDA (Earnings Before Interests Taxes and Depreciations)</b>		<b>- 11 642,33 €</b>	<b>- 3 818,80 €</b>	<b>- 2 846,37 €</b>	<b>- 11 872,54 €</b>	<b>- 24 292,67 €</b>	<b>- 37 180,03 €</b>	<b>- 50 565,21 €</b>
Depreciations		- 16 147,31 €	- 16 147,31 €	- 19 012,31 €	- 19 012,31 €	- 19 012,31 €	- 19 012,31 €	- 18 022,31 €
<b>EBIT (Earnings before Interests and taxes)</b>		<b>- 27 789,64 €</b>	<b>- 19 966,11 €</b>	<b>- 21 858,68 €</b>	<b>- 7 139,77 €</b>	<b>5 280,36 €</b>	<b>19 157,72 €</b>	<b>32 542,90 €</b>
Interests and similar revenues obtained		2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €	2,54 €
Interests and similar costs supported		- 3 183,87 €	- 3 183,87 €	- 3 833,87 €	- 3 833,87 €	- 3 833,87 €	- 3 749,99 €	- 3 663,36 €
<b>Profit before taxes</b>		<b>- 30 976,05 €</b>	<b>- 23 152,52 €</b>	<b>- 25 690,01 €</b>	<b>- 10 971,10 €</b>	<b>1 449,03 €</b>	<b>15 410,28 €</b>	<b>28 882,08 €</b>
Income taxes		- €	- €	- €	- €	- €	- €	- €
<b>Net Income</b>		<b>- 30 976,05 €</b>	<b>- 23 152,52 €</b>	<b>- 25 690,01 €</b>	<b>- 10 971,10 €</b>	<b>1 449,03 €</b>	<b>15 410,28 €</b>	<b>28 882,08 €</b>

### Exhibit 44: The New Upcycling Store - Business Model for B2B segment

Source: Mid-term presentation

SOCIAL LEAPFROG PROGRAM | FL41 ATNP

#### The New Business Model B2B Segment

BUSINESS MODEL CANVAS WORKSHOPS: FOCUS ON PARTNERSHIPS AND PROMOTION

Key Activities	Key Partners	Value Proposition	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> <li>Promoting the concept of:                             <ol style="list-style-type: none"> <li>Sustainable living</li> <li>Plastic Free</li> <li>Mental Health</li> <li>Equality and diversity</li> <li>Circular economy</li> </ol> </li> <li>How to Upcycle products</li> </ul>	<ul style="list-style-type: none"> <li>Tourists' information center</li> <li>GuruWalk, GetYourGuide, TripAdvisor</li> <li>Companies in Porto</li> <li>Professional artists</li> <li>Lipor: garbage collection</li> <li>LinkedIn</li> </ul>	<ul style="list-style-type: none"> <li>Team building activities</li> <li>Promote a balanced teamwork environment focusing on group activities around upcycling and circular economy.</li> <li>Teach how to reduce the footprint, tackle climate change and ignore greenwashing, while saving money.</li> <li>Integrate sustainable leadership designed to support the sustainable development of the company.</li> <li>Getting a positive future change by introducing and spreading the concept of upcycling.</li> </ul>	<ul style="list-style-type: none"> <li>Motivating emails to inspire the companies, spread awareness on sustainability and innovation.</li> <li>Personal assistance online when booking the workshop</li> </ul>	<ul style="list-style-type: none"> <li>Schools and Universities (Educational Centers)</li> <li>Big Corporations</li> <li>Companies that outsource the events</li> <li>Companies in Porto that have team building activities</li> </ul>
<b>Key Resources</b>		<b>Channels</b>		
<ul style="list-style-type: none"> <li>Free space at the Store.</li> <li>The several customer segments could bring their own trash that can be reused and upcycled</li> </ul>		<ul style="list-style-type: none"> <li>Physical store</li> <li>Website</li> <li>Social Media platforms</li> <li>Newsletter</li> <li>Tourism platforms</li> <li>Fairs, Street Markets</li> </ul>		
<b>Cost Structure</b>			<b>Revenue Streams</b>	
<ul style="list-style-type: none"> <li>Staff: professional artists, social workers, cleaning team.</li> <li>Marketing Manager</li> <li>Tools for creating products.</li> <li>Transport: transport of material from recollection site to the store; transport of disadvantaged groups.</li> <li>Advertising campaign.</li> </ul>			<ul style="list-style-type: none"> <li>Revenue from the sales of Workshops classes.</li> <li>Revenues from the sales of Upcycling products</li> </ul>	

## Exhibit 45: The New Upcycling Store - Business Model for B2C segment

Source: Mid-term presentation

SOCIAL LEAPFROG PROGRAM | FL41 ATNP

### The New Business Model B2C Segment

**BUSINESS MODEL CANVAS ONCE UPON A TIME B2C UPCYCLING PRODUCTS & WORKSHOPS: NEED TO FOCUS ON PROMOTION**

Key Activities	Key Partners	Value Proposition	Customer Relationships	Customer Segments
<ul style="list-style-type: none"> <li>Promoting the concept of Upcycling and sustainable living among people through workshops and conferences.</li> <li>Collecting end of use materials and items.</li> <li>Upcycle waste into beautiful new items.</li> <li>Selling Upcycled materials.</li> <li><b>Promoting the reduction of stigma in mental illness.</b></li> </ul>	<ul style="list-style-type: none"> <li>Local company of the trash and garbage services: Lipor.</li> <li>Tourists' information center.</li> <li>Professional artists.</li> </ul>	<ul style="list-style-type: none"> <li><b>Include</b> the hospitalized people of the psychiatric hospital into society with full rights and legitimate ambitions, and monetarily recognizing the work and commitment in this initiative.</li> <li>Reusing available resources.</li> <li>Providing products better than the original.</li> <li>Getting a positive future change by introducing and spreading the concept of upcycling.</li> </ul>	<ul style="list-style-type: none"> <li>Personal assistance: online portal to connect and stay connected.</li> <li>Newsletter to spread awareness on sustainability and innovation.</li> </ul>	<ul style="list-style-type: none"> <li>All age groups</li> <li>Tourists: International and Domestic</li> <li>Locals</li> <li>Disadvantaged groups</li> </ul>
	Key Resources		Channels	
	<ul style="list-style-type: none"> <li>Discarded materials from different suppliers.</li> <li>Skilled labor.</li> <li>Contribution of children and the guest of Forensic Psychiatry Unit of the Hospital Magalhães Lemos.</li> </ul>		<ul style="list-style-type: none"> <li>Physical store.</li> <li>Website.</li> <li>Social Media platforms.</li> <li>Newsletter</li> <li>Tourism platforms</li> <li>Fairs and Street Markets</li> </ul>	
Cost Structure		Revenue Streams		
<ul style="list-style-type: none"> <li><b>Staff:</b> professional artists, social workers, cleaning team.</li> <li>Marketing Manager</li> <li><b>Tools</b> for creating products.</li> <li><b>Transport:</b> transport of material from recollection site to the store; transport of disadvantaged groups.</li> <li>Advertising campaign.</li> </ul>		<ul style="list-style-type: none"> <li>Revenue from the Sales of Upcycled products.</li> <li>Revenue from the sales of Workshops classes.</li> </ul>		