Operator: Good morning. Welcome to the TOTVS conference call to discuss the results of the third quarter of 2016. Today we have with us Gilsomar Maia, CFO and IRO, Alexandre Appendino, Chief Sales Officer, and Douglas Furlan, IR Manager.

Note that all participants will be on listen-only mode during the presentation. After that, we will start the question and answer session for investors and analysts when further instructions will be given. If anyone needs assistance during the call, please press *0 to reach the operator.

The audio is being simultaneously webcast at ir.totvs.com.

Before proceeding, we wish to clarify that any forward-looking statements that may be made during the conference call, related to business outlook, operational and financial projections and targets of TOTVS are based on beliefs and assumptions of the Company's management as well as information currently available. Forward-looking statements are not guarantee of future performance. They involve risks, uncertainties and assumptions as they refer to future events and, therefore, depend on circumstances that may or may not occur. Investors must understand that general economic conditions, industry conditions and other operational factors could affect the future performance of TOTVS and could lead to results that differ materially from those mentioned in these forward-looking statements.

I will now turn the call over to Mr. Maia, who will begin the presentation. Mr. Maia, please go ahead.

Gilsomar Maia: Good morning everyone. Thank you for participating in our conference call to discuss the results of the third quarter of 2016.

Starting with the recent event, on **slide 3,** related to the integration of Fly01 Start application ready for the smart POS Lio and SmartRede, provided by Cielo and Rede respectively.

Fly01 Start App is part of our business platform for micro and small businesses, and plays the role of POS already integrated with the new generation of acquirers Pin Pad. Besides having the features of a point of sale, the solution also comprises back office features in the cloud to register products and access business management data.

The Fly01 Start runs stand alone, but also comes fully integrated with Bemacash, and then can be used as an additional point of sales.

This initiative is another example of joint work between the teams of TOTVS and Bematech, and put us in a market never reached before even by Bematech, which are the mom-and-pop shops that only use the Pin Pad as technological support to their businesses.

Now, I will start my comments on the quarterly results on **slide 4**. Just to remind you that, for better comparison, the consolidated pro forma figures (unaudited) for 3Q15 include the results of Bematech in said period.

Note also that the figures for the quarter do not include the August and September results of TOTVS RO, a company that provides BPO services in HR, sold in August 2016.

By the way, the sale of this operation was an important factor for the 0.4% quarter-on-quarter reduction in our total recurring revenue (chart on the left) and the 6.7% reduction in service revenue (chart on the right).

Year-on-year, total revenue fell 6.9%, mainly due to the 22% decline in non-recurring revenues, as shown in the chart on the left.

By contrast, recurring revenues grew 5.8% year on year and reached 62.3% of total revenue, increasing by 7.5 percentage points from the same period in 2015.

When analyzed by business line, as the chart on the right shows, we see that the year-on-year decline in total revenue was concentrated in hardware and services.

In relation to software revenue, shown on the left side of **slide 5**, the 1.4% year-on-year reduction shows that the 36.7% decline in license revenue was almost fully offset by the growth in recurring revenue, especially by the 22.6% growth in subscription.

In the quarter-on-quarter comparison, software revenue remained stable, showing that the accelerated growth of the subscription model is already able to more than offset the drop in license sales.

The reduction in license sales in previous periods, coupled with the churn of maintenance contracts, whether due to default or partial cancelations because of the economic crisis, has been reducing maintenance revenue.

In addition to these factors, 27 licensing clients migrated to the Intera subscription model this quarter, reducing maintenance revenue in the quarter by approximately half a million reais.

Moreover, Intera sales have been very important for the growth of subscription revenue, which in this quarter outpaced license revenue by R$21 million. To comment on this transition to the subscription model, I now invite Alexandre Apendino.

Alexandre Appendino: Thank you Maia. Good morning everyone.

We have very good news about subscription to share in this conference call. The growth of subscription by 23% year on year and 8% quarter over quarter, as Maia mentioned, was positively impacted by the sales of Intera, our subscription model launched in June 2015, in which the client set and manages the number of identities (or IDs) to have unrestricted and simultaneous access to TOTVS' management, productivity and collaboration solutions.

With a little more than one year from Intera lauching, we are even more convinced that we made the right choice. Intera has shorter sales cycles due to the lower initial investment, which is also very positive for new sales to clients under this model, since the client won't have to buy new licenses to add more IDs, but merely adjust the Intera monthly fee in accordance to the new number of IDs.

Besides, Intera's monthly fee already includes the standard cloud infrastructure, access to the fluig platform and the e-learning center, key elements to the digital transformation we are promoting in the market. Today we already have more than 90,000 active Intera IDs.

This quarter, we had impressive numbers of clients added. We added 846 clients mainly in Intera and Fly01, and sold almost 1.000 units of Bemacash, 127% more than in the second quarter of the year.

Bemacash combines Fly01, our solution for micro and small companies contracted under the subscription model, with Bematech's commercial automation equipment and fiscal solutions.

It's important to mention that Bemacash sales in the quarter and Intera sales in September did not affect our quarterly subscription revenue.

From the 8th month of hiring Bemacash, the client starts paying subscription for the management software. In Intera, the first billing is done in the following month after the sale.

To sum up, recurring revenue in the quarter does not reflect our entire subscription base at the end of the quarter.

To address this issue, the Annual Recurring Revenue (ARR), presented in **slide 6**, is the most popular metric in the SaaS world to measure the evolution of Recurring Revenue over the next 12 months of contracts signed up to the end of the current period, deducting any cancelation already requested.

Total ARR of software, in the chart on the left, grew 9% year-on-year, or 3.2 percentage points above the growth in recurring revenue of software in the quarter.

Meanwhile, ARR Subscription, the chart on the right, grew 25.2% year on year, despite of the crisis, or 2.6 percentage points above the growth in subscription revenue in the same period, showing that subscription sales are growing much faster.

Now, I turn the call to Douglas.

Douglas Furlan: Thank you Apendino. Good morning everyone.

Still on slide 6, another way of looking at this speed up of the subscription model is through the quarter-on-quarter ARR growth, which was 3.8% in the 2Q and 9.8% in the 3Q, resulting in a net addition of R$21 million this quarter, versus R$7.7 million in the previous quarter.

Going now to **slide 7**, software contribution margin closed the quarter at 62.1%, down 310 basis points year on year, mainly because of the combination of lower software revenue and the maintenance of investments in R&D, client services and support.

Compared to the previous quarter, the 70 basis-point reduction in the contribution margin is primarily related to the wage increases in the quarter in Belo Horizonte and Rio de Janeiro, and their impacts on provisions for vacation and Christmas bonus, coupled with the alignment made in the classification of Bematech's costs with TOTVS, which mainly impacted the research and development line.

Please turn over to **slide 8**, to discuss Services and Hardware.

In Services, the decline in contribution margin year on year reflects the 8% decrease in revenues from software implementation in the period, mainly on the lower volume of sales, and the 29% decrease in services not related to software implementation, especially consulting.

Both were negatively impacted by the higher number of holidays in Rio de Janeiro because of the Olympic Games.

We are also using this period of lower allocation and putting more effort on the training of service professionals, in order to increase their productivity.

The wage adjustments in the 3Q in Belo Horizonte, Rio de Janeiro and Recife also had a negative impact on service contribution margin in the quarter.

In hardware, we recorded an extraordinary expense of R$2.4 million related to an adjustment of average cost in the quarter. Without this adjustment, hardware contribution margin reached 35.1%, which is an improvement of 230 basis points from the second quarter margin.

This margin of 35% still represents a decline year on year, mainly because of 3 factors:

(i) The reduction of tax subsidies in the state of Paraná since September 2015;

(ii) The non-capitalization of R&D projects since the 4Q15; and

(iii) The Changes in state tax laws, especially in the state of São Paulo, where the fiscal printer was replaced by the S@T fiscal equipment, which has a lower unit value and margin, but on the other hand helps to increase recurring revenue from software fiscal solutions, and has been sold as part of Bemacash, which has been growing consistently, as already mentioned by Apendino.

Now talking about selling and administrative expenses, please move to **slide 9.**

Starting with the chart on the top left, selling expenses and commissions jointly grew 6.1% year on year and 3.9% quarter on quarter.

Compared to the previous quarter, the decline mainly reflects additional expenses to adjust the compensation model of the sales team, due to the transition to subscription, as already commented in previous quarters, and the decline in license and service sales in the period.

On the top right, advertising and marketing expenses corresponded to 2.7% of total revenue in the quarter, compared to 2.2% in the 2Q, chiefly reflecting the higher investments in marketing in the 3Q with the launching of the new advertising campaign.

The 12.2% decrease year on year was mainly due to the revision of the Company's general marketing plan and the integration of TOTVS and Bematech.

Allowance for doubtful accounts, on the bottom left, corresponded to 4.8% of total revenue in the quarter, compared to 1.5% in 3Q15. The increase in this quarter is mainly due to the additional provision of R$17.2 million related to the higher credit risk of a large client in the Services segment. Excluding this additional provision, allowance for doubtful accounts corresponded to 1.6% of net revenue.

Finally, on the bottom right, G&A expenses plus management fees and other expenses fell 10% quarter on quarter, mainly due to the R$9.2 million gain from the sale of the BPO operation.

Excluding this sale, expenses increased their ratio of net revenue by 90 basis points because of the decrease in net revenue and the additional expenses related to the post-migration of internal systems in the quarter, and to higher non-recurring expenses with lawyers.

Now I'd like to turn the call back to Maia, to discuss EBITDA, on **slide 10**.

Gilsomar Maia: EBITDA in the quarter, adjusted for (i) the sale gain from the BPO operation; (ii) inventories adjustment; and (iii) additional bad debt provision, went to R$86.5 million, down 26% from the same period in 2015 and 10.7% from the second quarter.

As shown throughout this conference, this reduction in Adjusted EBITDA was mainly due to a combination of the transition to the subscription model, which reduces software contribution margin initially, and the lower sales due to the economic scenario, affecting more clearly the service contribution margin, as well as tax issues that affected hardware margin.

Now, talking about net income on slide 11.

The year-on-year decrease in adjusted net income higher than the decrease in Adjusted EBITDA is mainly due to the company's current net debt position compared to a net cash position in 3Q15.

Quarter-on-quarter, adjusted net income grew 18.9%, thanks to tax effect from interest on equity declared and paid in the quarter.

Moving now to slide 12, I'll comment on cash flow and debt.

Despite the increase in working capital in this quarter, Gross Cash decreased by R$79 million in the period, mainly due to the following payments:

(i) investment in fixed assets in the amount of R$19.8 million, of which R$5.8 million is related to investments in the Company's new campus. It`s worth mentioning that the total amount of investment originally estimated by the Company in R$90.0 million has been reviewed to R$80.0 million, of which around 50% to be financed in at least 3 years.

(ii) investment of R$11.8 million in intangible assets, especially related to the creation of TOTVS Digital, a new integrated digital environment to interact with clients, prospects, channels and partners, scheduled for launching in the first quarter of 2017.

(iii) payment of interest on equity for the first half of 2016, in the amount of R$ 43.6 million; and

(iv) amortization of R$48.0 million referring to the principal outstanding of debentures issued by the Company in 2008;

Thus, Net Debt amounted R$478.4 million in 3Q16, equivalent to 1.2 times pro forma Adjusted EBITDA in the last 12 months.

Now, I move on to slide 13 for my final remarks.

In summary, the transition to the subscription model accelerated this quarter. Subscription revenue grew 22.6% year on year and reached 17% of software revenue.

Taking into account the subscription sales in September, the annual subscription revenue increased by 25% year over year, with an annualized net addition of R$21 million quarter over quarter, thanks mainly to Intera sales.

Bemacash sales grew 126% quarter over quarter, with almost 1000 units sold. Moreover, hardware contribution margin, excluded the adjustment of inventories ended the quarter at 35%, a growth of 230 basis points over the 2Q.

More recently, fly01 Start has been integrated to smart POS Lio and SmartRede.

We remain aware that this accelerated transition to the subscription model imposes margin challenges in the short term, especially in a still recessionary economic environment and high cost inflation.

However, we remain convinced that this transition also generates value relevantly and makes TOTVS and our clients much more prepared for the recovery of the Brazilian market.

Now we are available for the Q&A session.

Operator: Ladies and gentlemen, we will now begin the question and answer session. To ask a question, please press star and one on your keypad, and to withdraw your question from the queue, press star and two.

Our first question comes from Mr. Fred Mendes, with Bradesco.

Fred Mendes: Good morning and thank you for the conference call. My first question is whether you could shed some light on the competitive landscape. Of course, we have seen other players posting double-digit growth and I wish to know if this challenging result for TOTVS is more of a macro problem or if it is related to the model transition or if the competition has had a stronger impact. That is my first question.

And, second, could you talk a little about the technical support area? With an obvious increase in the number of players in recent years, I imagine there is also a challenge in this area, we saw costs increase. So, I was wondering whether you've already seen any benefits from this greater disbursement, especially in terms of customer satisfaction. That would be it. Thank you.

Gilsomar Maia: Good morning Fred, this is Maia speaking. Starting with your second question, related to technical support. We have two factors impacting this line of expenses: first, as we've mentioned in past quarters, is the investment we made to modernize our support tool and to train our customer service teams.

This brings additional costs in the short term, but in the medium term we see that it tends to increase the productivity of the service team and even the quality of the service. These new tools will provide increased integration with several tools, including social ones, and a more digital customer service capability.

On the other hand, we also have the growing number of subscription clients, with an equally growing level of support these clients require, although we don't have the corresponding flow in terms of revenue.

So, in this case, it's a cost that follows a natural trajectory that is very similar to what we would have in a scenario exclusively of license sales, but revenue, as we mentioned, has a different flow.

In relation to your first question, on the competitive landscape, we don't have anything relevant to add in relation to previous quarters. Obviously, when we compare ourselves to other companies, you always have different behaviors, some because they have heavier structures, and consequently behave more towards a specific niche, and some international players also report their performance differently because of specific initiatives they are doing at their base.

But, generally speaking, we didn't see any major change in the competitive landscape since, at least, the last quarter when we last spoke.

Fred Mendes: Perfect Maia, thank you.

Operator: Our next question comes from Diego Aragão, with Morgan Stanley.

Diego Aragão: Good morning everyone and thanks for taking my question. I have two questions. First, in relation to the transition of the business model on the revenue model. I'd like to know whether the transition to subscription is advancing as planned or whether it's evolving somewhat behind what you were expecting.

And my second question is in relation to the Bematech acquisition. I'd just like to understand whether the acquisition is not proving itself, or creating some sort of distraction for you given the transition model, excuse me, given the transition in the business model.

And I was wondering if you could also comment and try to quantify the main synergy gains you have captured so far, after one year of the acquisition. Thank you.

Gilsomar Maia: Good morning Diego, this is Maia speaking. Let me start with your second question, in relation to Bematech. We don't see the integration with Bematech as a distraction. I don't think it would be fair or adequate from our end to say anything like that.

First, because in the company's history, acquisitions have been part of our operation. Second, because looking at what we have that is the most different in the Bematech operation compared to TOTVS's, which is the hardware operation, that is very contained within Bematech, and that's not something we'll interfere a lot, precisely not to cause any type of distraction.

Gradually, even considering what we've commented in previous quarters, we see some evolution in this… and some improvements are also related to the bundled solutions, such as Bemacash. So, in this respect, solutions such as Bemacash show that this solution is a solution that, at the end of the day, has to help software sales.

In relation to synergies, most of the synergies from the Bematech acquisition are also related to top line (sales) growth. So, of course the environment is not the best to clearly show our top line synergy gains.

When we talk about Bematech's operating segments, such as the hotel segment, retail service, and we've been having a good performance, closing good accounts in this segment specifically, and the product integration has been much more interesting.

So, I don't see any form of distraction, I think that synergies will become more evident over the coming quarters.

In relation to the management synergy, I think I also addressed this in the two previous quarters, we have some challenges of integration now in the administrative area, related to internal systems. Last quarter I even mentioned that, according to our timetable, we'll address this issue of Bematech's internal systems next year, since we already had a plan to migrate TOTVS's internal systems this year. So, it wouldn't be prudent to conduct these two… internally.

Now to answer your first question, related to the transition to SaS, whether or not it's advancing as planned, it's very important to note that, when we made this decision back then, we knew about the impacts it would have on our business, on our results… But also, of course, since we'd never experienced this before, it was hard to predict it with a high accuracy level.

But, compared to our plans, I could say that the decline in licensing is much higher than we anticipated, even in our most conservative scenarios. On the other hand, the performance of subscription, especially over the last few quarters, has outgrown the curve we drew back then. So, with the first full year of Intera, we've had some positive surprises with it.

We see that our sales team is really very engaged in selling subscriptions, they've seen its benefits. We also commented a few times in previous quarters that these sales have a shorter track, like commented in his speech today, even because of the context, as they require a smaller initial investment.

Another benefit we have from this model, which may not be as evident now, is that the installed base of the model, as it tends to add more IDs, new users, it tends to do so more naturally, because it won't have to also invest in licensing.

And if you remember, throughout our history, even because of the market profile we have, there is a dominance of companies that don't make huge initial investments, but which invest consistently over time. Our historical figures show that sales within the base have always represented between 70% to 80%. In other words, we built a subscription base and when we have a slightly more favorable environment for companies to think of growth, it's possible that sale within the base will also benefit from this subscription model.

Diego Aragão: Perfect, Maia, thank you and have a good day.

Operator: Our next question comes from Valder Nogueira, with Santander.

Valder Nogueira: Good morning. Maia, in the press release and in the presentation, you presented results in terms of the ARR concept, annual recurring revenue. You are saying it increased 9% from 3Q15 to 3Q16, and this is a very interesting base to indicate what could be recurring revenue in the next 12 months.

What do you consider inside as a reasonable level for this metric going forward, or what are recent results showing you that the economy could somehow be recovering, I imagine some contracts could be engaging in a little more constructive conversations than before.

What does this metric show going forward?

Gilsomar Maia: Good morning Valder. ARR, we even addressed it a few quarters back, but we hadn't talked about it numerically. What we did was to calculate this metric at least back through 3Q15, because it will capture growth, especially of the internal model.

What we've been seeing is that subscription sales have been growing month after month, quarter after quarter. Of course, in subscription, it's hard to have major leaps in short periods of time. But we see that, for instance, this last quarter, when we annualize the net addition of subscriptions from 2Q to 3Q, it corresponded to R$ 21 million.

If we're able to maintain or even accelerate this pace, we'll add the same volume in the coming quarters – and this is considering the annualized base – and this will, little by little, recompose our revenue behavior increasing the share of recurring revenue in total revenue. And, like I just told Diego, building an installed base that also adds potential for additional sales within this base in a more spontaneous way, since it does not require initial investments.

At this point, the focus on subscription is sharply on adding new clients, and it has seen a much more natural adherence from medium and small-sized clients: companies in which the owner sees a very interesting tradeoff between paying and using the solution. So in terms of cash flow, a link between cash flow and new clients, I also realize that there's a trend to see an additional factor even in the cloud offer, which is also a part of internal subscription, because since they are new, they are thinking investments and from scratch.

For clients of the base, we should wait a little more to try to make a more structured approach, which could also be another leverage to be explored further ahead in the subscription model.

Valder Nogueira: OK. My second question is regarding the behavior of the inflation component when adjusting maintenance revenue, given you have a favorable driver there with IGP-M, whereas costs are adjusted by IPCA. How are you transferring this IGP-M to contracts? You are being able to transfer everything, right? What can you tell us about that?

Gilsomar Maia: In terms of the transfer, it is automatic. What I mentioned, at least for the previous two quarters, was that we saw a decline quarter over quarter, since the effectiveness of this transfer is hard to measure, because I automatically transfer IGP-M, but we've been seeing, for numerous reasons, a decline in terms of users, of clients. Some clients, due to delinquency issues - and just to remind you, after three months, we disconnect the support service and updates. So, once I stop billing and charging the client for maintenance, the effectiveness of the IGP-M transfer is no longer valid, because then the transfer is considered in my churn rate for the period.

Other clients, due the downsizing of their businesses - headcount reductions that companies are still promoting - have been reducing the number of users and, eventually, medium to large-sized companies, which have a higher number of people and users, cause the client to reduce their contract. So, once again, I apply the IGP-M reduction, but then I reduce the size of the contract, and I can't really show you the effective transfer.

And in many cases, for smaller clients, we assume that some of them may reduce a few users to try to offset at least part of the inflation adjustment, but no client… users would say that. So it's hard for us to clearly associate a reduction in the number of users to the application of inflation adjustments. But in practical terms, and since current inflation has been growing below the inflation adjustment in the period, the effectiveness of the transfer of inflation has not been fully confirmed.

Valder Nogueira: Thanks Maia.

Gilsomar Maia: You're welcome.

Operator: Our next question comes from André Baggio, with JP Morgan.

André Baggio: Hi Maia, good morning everyone. Maia, I'd like to understand how you see any sign of recovery in these figures. I mean, of course, I saw software, annual recurring revenue, I couldn't understand mathematically how you calculated that number, that's the first thing.

And, secondly, how do you analyze the company by adding license sales to subscription sales to see whether or not the company is selling well?

Gilsomar Maia: Good morning, Baggio. I think it's important that I explain a little about what ARR captures. This is a widely-used metric by companies that adopt the software-as-a-service model.

What this metric actually shows is, based on the valid contracts that we have at the end of the quarter, when we look 12 months ahead to the monthly fees under these contracts we already have, what the volume of their recurring revenue is, and these effects already exclude any cancelations that we are aware of.

So it's not a projection per se, because I'm not incorporating in this metric, for instance, sales that we may have over the next 12 months. In fact, I'm simply looking at the booking of the contracts that I already have for the next 12 months. For instance, sales that I make within Intera in September, today they do not contribute to my 3Q result, because the first monthly fee of the subscription will be billed only in October. When I analyze this revenue, this metric of annual recurring revenue, I can capture even the sales that are closed within the month.

So, this metric plays an important role in showing not just what happened within the quarter, but also what we have already brought inside the company. For example, what we sell now in 4Q will probably have a contribution more closely linked to the results of the quarter, and certainly the results of the year. But what we sell within 4Q already brings the entire full benefit for next year.

So, when we look at this ARR metric within the quarter itself, we'll have this forecastability of how much recurring revenue the company will be carrying to the following year, without including any sales it may close within the next year.

In terms of measuring revenue today, sales today, what we do, Baggio, even when we sell licenses, is that we convert everything to subscription, to provide an equitable assessment of sales made under both models. But when we convert everything to subscription, we have been able to see some growth in sales, but obviously the decline in licensing of nearly 37% makes it very difficult to consider this over a term and offset it completely.

There is also another factor, which is related to Bemacash, in which the seven first monthly fees of Bemacash are related to the hardware sale, and only as of the eighth monthly fee of Bemacash clients start to contribute to subscription sales. So, what I sell of Bemacash today has a lag before it impacts on my subscription sales too, so when you look today at the subscription revenue, you can't capture all this revenue generated by Bemacash sales either, which is why we may have a perception, looking at the quarterly figures, that the math is not positive for the company in the short term.

With regards to the last part of your question, related to signs of recovery, we have clear signs, Baggio, speaking very realistically: we have very positive signs from this acceleration we've been experiencing, like I just told Diego, that subscription levels will probably not show significant leaps from one quarter to the next one, or month over month, because this is how recurrence behaves. But if we see the growth rate increasing quarter after quarter, that is a good sign that the market, even if very gradually, is showing signs of recovery. And, on the other hand, our internal and commercial teams are becoming increasingly familiarized with the model.

On the other hand, we also have signs of recovery that are not as strong, especially in relation to sales of services, more clearly consulting services. Consulting service sales, from the mid/end of last quarter to this quarter, were somewhat frustrating, which is a bit concerning for the consulting business, for example.

And this hampers the utilization of these professionals, who, on average, receive higher compensations than the average of the company, similarly to license sales, which are generally associated with a bigger-company client profile, which are more concentrated in regions where we have our direct operations, or large centers (São Paulo, Rio de Janeiro, Belo Horizonte, for example). When we have a decline in sales among this client profile, which usually generates a lot of project service, this creates a gap in my service sales, reflecting in the utilization of these professionals.

These are currently the two main aspects, in addition to what I've just told Valder, about maintenance that stand out to us in terms of concern, of seeing more clear signs of recovery. I don't know if I addressed your question properly.

André Baggio: Yes, I just wanted to understand the annual recurring revenue. Should we consider more or less as if the sales of the prior month, which are guaranteed for the coming month, are already considered in your sales and what isn't are explicit sales? Is it more or less that?

Gilsomar Maia: To consider all contracts, Baggio, that I have closed until the end of the quarter and convert them into recurring revenue for the next 12 months, i.e. what I already have closed.

André Baggio: Even if the Bemacash contract will start paying only in six-months' time?

Gilsomar Maia: In that case, you have a contract with a period that I do not charge within that 12-month window, I will only consider the months for which I will charge. So this metric actually gives a visibility of a 12-month window of what I'll have of revenue inside.

André Baggio: OK, thank you, Maia.

Gilsomar Maia: You're welcome, have a good day.

Operator: As a reminder, if you would like to ask a question, please press star one. Once again, to pose a question, please press star one.

Gilsomar Maia: Thank you all for listening to our conference call. Like I said before the Q&A, we know that times like these require additional caution in terms of margin, but we're focused and determined we're on the right path with our subscription model. But that will not take our attention away from costs and from pursuing sales within all models we have in the company.

Thank you once again for your attention and have a good day.

Operator: This thus concludes today's TOTVS conference call. Thank you for listening. Have a good day and thank you for using Chorus Call.