

Results of Operations

The following table sets forth our consolidated statement of operations for the years ended December 31, 2019, 2018, and 2017.

	Years ended December 31,		
	2019	2018	2017
	(in thousands, except share and per share data)		
Revenues:			
Subscription solutions	\$ 642,241	\$ 464,996	\$ 310,031
Merchant solutions	935,932	608,233	363,273
	<u>1,578,173</u>	<u>1,073,229</u>	<u>673,304</u>
Cost of revenues ⁽¹⁾⁽²⁾ :			
Subscription solutions	128,155	100,990	61,267
Merchant solutions	584,375	375,972	231,784
	<u>712,530</u>	<u>476,962</u>	<u>293,051</u>
Gross profit	<u>865,643</u>	<u>596,267</u>	<u>380,253</u>
Operating expenses:			
Sales and marketing ⁽¹⁾⁽²⁾	472,841	350,069	225,694
Research and development ⁽¹⁾⁽²⁾	355,015	230,674	135,997
General and administrative ⁽¹⁾	178,934	107,444	67,719
Total operating expenses	<u>1,006,790</u>	<u>688,187</u>	<u>429,410</u>
Loss from operations	<u>(141,147)</u>	<u>(91,920)</u>	<u>(49,157)</u>
Other income	45,332	27,367	9,162
Loss before income taxes	<u>(95,815)</u>	<u>(64,553)</u>	<u>(39,995)</u>
Provision for income taxes	29,027	—	—
Net loss	<u>\$ (124,842)</u>	<u>\$ (64,553)</u>	<u>\$ (39,995)</u>
Basic and diluted net loss per share attributable to shareholders	<u>\$ (1.10)</u>	<u>\$ (0.61)</u>	<u>\$ (0.42)</u>
Weighted average shares used to compute net loss per share attributable to shareholders	113,026,424	105,671,839	95,774,897

(1) Includes stock-based compensation expense and related payroll taxes as follows:

	Years ended December 31,		
	2019	2018	2017
	(in thousands)		
Cost of revenues	\$ 4,090	\$ 2,441	\$ 1,281
Sales and marketing	38,167	24,056	9,876
Research and development	104,645	59,575	34,560
General and administrative	29,861	17,690	9,485
	<u>\$ 176,763</u>	<u>\$ 103,762</u>	<u>\$ 55,202</u>

(2) Includes amortization of acquired intangibles as follows:

	Years ended December 31,		
	2019	2018	2017
	(in thousands)		
Cost of revenues	\$ 9,624	\$ 4,914	\$ 3,101
Sales and marketing	283	—	—
Research and development	232	—	—
	<u>\$ 10,139</u>	<u>\$ 4,914</u>	<u>\$ 3,101</u>