

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to ___
Commission file number 001-40653

Duolingo, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

45-3055872

(I.R.S. Employer Identification No.)

5900 Penn Avenue
Pittsburgh, Pennsylvania 15206
(412) 567-6602

(Address, including Zip Code, and Telephone Number, including
Area Code, of Registrant's Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 per share	DUOL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of November 5, 2025, 40,013,533 shares of the registrant's Class A common stock were outstanding, and 6,213,824 shares of the registrant's Class B common stock were outstanding.

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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including without limitation, statements regarding our business model and strategic plans, including the introduction of new products, and our implementation thereof; statements regarding our expectations, beliefs, plans, objectives, prospects, assumptions, future events or expected performance, including our ability to compete in our industry; the sufficiency of our cash, cash equivalents and investments; and the plans and objectives of management for future operations and capital expenditures are forward-looking statements. We caution you that the foregoing list does not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

Without limiting the generality of the foregoing, you can identify forward-looking statements because they contain words such as "may," "will," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "goal," "objective," "seeks," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Such forward-looking statements are neither promises nor guarantees, but involve a number of known and unknown risks, uncertainties and assumptions that may cause our actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to:

- our ability to retain and grow our users and sustain their engagement with our products;
- competition in the online language learning industry;
- our ability to maintain profitability;
- the impact on our income as a result of the release of valuation allowances on deferred tax assets;
- our expectations regarding fluctuations in our effective tax rate, including changes to valuation allowances, and the adequacy of our reserves;
- our ability to manage our growth and operate at such scale;
- the success of our investments;
- our ability to accurately predict our quarterly operating results and other operating metrics;
- our ability to accurately measure our user metrics and other operating metrics;
- our reliance on third-party platforms to store and distribute our products and collect revenue;
- the success of our development, implementation and use of artificial intelligence and machine learning technologies;
- our reliance on third-party hosting and cloud computing providers;
- our ability to compete for advertisements;
- acceptance by educational organizations of technology-based education;
- changes in our business and macroeconomic conditions;

- the accuracy of market research published about the Company by third-party data scraping services;
- those identified in Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations in this Quarterly Report on Form 10-Q; and
- those identified in Part I, Item 1A. “Risk Factors” and Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the “Annual Report on Form 10-K”).

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations, estimates, forecasts, and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q and, although we believe that we have a reasonable basis for each forward-looking statement contained in this Quarterly Report on Form 10-Q, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. We cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur at all. Moreover, we operate in a very competitive and rapidly changing environment. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. You should not place undue reliance on our forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. While we may elect to update such forward-looking statements at some point in the future, unless required by applicable law, we disclaim any obligation to do so, even if subsequent events cause our views to change.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in this Quarterly Report on Form 10-Q by these cautionary statements.

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to “Duolingo,” the “Company”, “we,” “our,” “us,” or similar terms refer to Duolingo, Inc. and its subsidiaries.

Special Note Regarding Key Operating Metrics

We manage our business by tracking several operating metrics, including monthly active users (MAUs), daily active users (DAUs), paid subscribers, subscription bookings, and total bookings. We believe each of these operating metrics provides useful information to investors and others. For information concerning these metrics as measured by us, see Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Key Operating Metrics and Non-GAAP Financial Measures.”

While these metrics are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our platform is used. These metrics are determined by using internal data gathered on an analytics platform that we developed and operate and have not been validated by an independent third party. This platform tracks user account and session activity. If we fail to maintain an effective analytics platform, our metrics calculations may be inaccurate.

We believe that these metrics are reasonable estimates of our user base for the applicable period of measurement, and that the methodologies we employ and update from time-to-time to create these metrics are reasonable bases to identify trends in user behavior. Because we update the methodologies we employ to create metrics, our operating metrics may not be comparable to those in prior periods. See “Risk Factors—Our user metrics and other operating metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may negatively affect our reputation and our business” included in the Annual Report on Form 10-K. Other companies, including companies in our industry, may calculate these metrics differently.

Part I Financial Information

Item 1. Financial Statements (Unaudited)

DUOLINGO, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except par value amounts)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,011,542	\$ 785,791
Short-term investments	109,912	91,854
Accounts receivable	124,489	128,923
Deferred cost of revenues	94,570	80,162
Income tax receivable	9,886	27
Prepaid expenses and other current assets	16,706	14,831
Total current assets	1,367,105	1,101,588
Operating lease right-of-use assets	79,266	47,495
Long-term investments	98,735	98,292
Intangible assets, net	27,968	19,899
Property and equipment, net	24,626	18,943
Goodwill	35,335	10,538
Restricted cash	2,735	2,735
Deferred tax assets, net	240,172	675
Other assets	9,696	1,563
Total assets	\$ 1,885,638	\$ 1,301,728
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Deferred revenues	\$ 441,728	\$ 372,884
Accounts payable	3,568	6,381
Income tax payable	16	6,591
Accrued expenses and other current liabilities	39,228	36,375
Total current liabilities	484,540	422,231
Long-term obligation under operating leases	93,257	54,656
Deferred tax liabilities, net	302	291
Total liabilities	578,099	477,178
Commitments and contingencies (Note 11)		
Stockholders' equity		
Class A common stock, \$0.0001 par value; 2,000,000 shares authorized as of September 30, 2025 and December 31, 2024; 39,992 and 38,730 issued and outstanding at September 30, 2025 and December 31, 2024, respectively	5	4
Class B common stock, \$0.0001 par value; 30,000 shares authorized as of September 30, 2025 and December 31, 2024; 6,117 and 6,206 issued and outstanding at September 30, 2025 and December 31, 2024, respectively		
Additional paid-in capital	1,061,270	950,393
Retained earnings (Accumulated deficit)	246,264	(125,847)
Total stockholders' equity	1,307,539	824,550
Total liabilities and stockholders' equity	\$ 1,885,638	\$ 1,301,728

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

DUOLINGO, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Amounts in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	\$ 271,713	\$ 192,594	\$ 754,721	\$ 538,474
Cost of revenues	74,802	52,180	211,133	144,720
Gross profit	196,911	140,414	543,588	393,754
Operating expenses:				
Research and development	82,707	62,878	226,767	168,903
Sales and marketing	35,081	25,574	91,306	65,679
General and administrative	43,964	38,388	133,399	110,459
Total operating expenses	161,752	126,840	451,472	345,041
Income from operations	35,159	13,574	92,116	48,713
Other (expense) income, net	(503)	569	2,158	(759)
Income before interest income and income taxes	34,656	14,143	94,274	47,954
Interest income	11,793	11,246	33,635	32,000
Income before income taxes	46,449	25,389	127,909	79,954
(Benefit from) provision for income taxes	(245,746)	2,029	(244,202)	5,287
Net income and comprehensive income	\$ 292,195	\$ 23,360	\$ 372,111	\$ 74,667
Net income per share attributable to Class A and Class B common stockholders, basic	\$ 6.36	\$ 0.53	\$ 8.17	\$ 1.73
Net income per share attributable to Class A and Class B common stockholders, diluted	\$ 5.95	\$ 0.49	\$ 7.63	\$ 1.57

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

DUOLINGO, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Amounts in thousands)

	Common Stock		Additional Paid- In Capital	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount			
BALANCE—July 1, 2024	43,500	\$ 4	\$ 930,054	\$ (163,114)	\$ 766,944
Stock-based compensation expense	—	—	28,959	—	28,959
Stock options exercised	222	—	3,190	—	3,190
Release of restricted stock units	222	—	—	—	—
Net income	—	—	—	23,360	23,360
BALANCE—September 30, 2024	43,944	\$ 4	\$ 962,203	\$ (139,754)	\$ 822,453
BALANCE—July 1, 2025	45,787	\$ 4	\$ 1,022,958	\$ (45,931)	\$ 977,031
Stock-based compensation expense	—	—	35,565	—	35,565
Stock options exercised	100	1	2,747	—	2,748
Release of restricted stock units	222	—	—	—	—
Net income	—	—	—	292,195	292,195
BALANCE—September 30, 2025	46,109	\$ 5	\$ 1,061,270	\$ 246,264	\$ 1,307,539

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

DUOLINGO, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Amounts in thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Total
	Shares	Amount			
BALANCE—January 1, 2024	42,526	\$ 4	\$ 869,918	\$ (214,421)	\$ 655,501
Stock-based compensation expense	—	—	80,690	—	80,690
Stock options exercised	802	—	11,595	—	11,595
Release of restricted stock units	616	—	—	—	—
Net income	—	—	—	74,667	74,667
BALANCE—September 30, 2024	43,944	\$ 4	\$ 962,203	\$ (139,754)	\$ 822,453
BALANCE—January 1, 2025	44,936	\$ 4	\$ 950,393	\$ (125,847)	\$ 824,550
Stock-based compensation expense	—	—	101,175	—	101,175
Stock options exercised	538	1	9,702	—	9,703
Release of restricted stock units	635	—	—	—	—
Net income	—	—	—	372,111	372,111
BALANCE—September 30, 2025	46,109	\$ 5	\$ 1,061,270	\$ 246,264	\$ 1,307,539

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

DUOLINGO, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 372,111	\$ 74,667
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred income taxes	(239,486)	—
Stock-based compensation expense	101,175	80,690
Depreciation and amortization	10,583	7,193
Accretion on marketable securities, net	(1,458)	(12)
Changes in assets and liabilities:		
Deferred revenue	68,844	61,411
Accounts receivable	4,434	(5,209)
Deferred cost of revenues	(14,408)	(13,398)
Prepaid expenses and other current assets	(11,734)	(8,842)
Accounts payable	(2,813)	522
Accrued expenses and other current liabilities	(5,190)	1,351
Noncurrent assets and liabilities	(1,513)	3,796
Net cash provided by operating activities	280,545	202,169
Cash flows from investing activities:		
Purchases of investments	(99,120)	(81,670)
Maturities of investments	82,077	—
Capitalized software expense and purchases of intangible assets	(6,484)	(8,545)
Purchase of property and equipment	(7,369)	(10,155)
Payment of earn-out related to a previous acquisition	(500)	—
Acquisitions of companies, net of \$0 cash acquired	(33,100)	(6,595)
Net cash used for investing activities	(64,496)	(106,965)
Cash flows from financing activities:		
Proceeds from exercise of stock options	9,702	11,595
Net cash provided by financing activities	9,702	11,595
Net increase in cash, cash equivalents and restricted cash	225,751	106,799
Cash, cash equivalents and restricted cash - Beginning of period	788,526	750,345
Cash, cash equivalents and restricted cash - End of period	<u>\$ 1,014,277</u>	<u>\$ 857,144</u>

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

DUOLINGO, INC. AND SUBSIDIARIES
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION
(Amounts in thousands)

	Nine Months Ended September 30,	
	2025	2024
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 11,722	\$ 6,797
Supplemental disclosure of noncash investing activities:		
Property and equipment included in Current liabilities	\$ 2,179	\$ 1,094
Landlord incentive included in Other assets	\$ 6,809	\$ —
Right of use assets obtained in exchange for new operating lease liabilities	\$ 36,025	\$ 33,039
Right of use assets disposed of or adjusted for modifying operating leases liabilities	\$ —	\$ 1,303

See accompanying notes to the Unaudited Condensed Consolidated Financial Statements.

DUOLINGO, INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Duolingo, Inc. (the “Company” or “Duolingo”) was formed on August 18, 2011, and the Duolingo App was launched to the general public on June 19, 2012. The Company’s headquarters are located in Pittsburgh, Pennsylvania.

Duolingo is a US-based mobile learning platform, as well as a digital English language proficiency assessment exam. The Company has a freemium business model: the app and the website are accessible free of charge, although Duolingo also offers premium services for a subscription fee. As of the date of this filing, Duolingo offers courses in over 40 different languages, including Spanish, English, French, German, Italian, Portuguese, Japanese and Chinese. We have locations in the U.S., China, Germany, and the United Kingdom.

Principles of Consolidation—The Unaudited Condensed Consolidated Financial Statements include the accounts of the Company and subsidiaries over which the Company has control. All intercompany transactions and balances have been eliminated.

Basis of Presentation—The accompanying Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the U.S. (“GAAP”) from the Company’s accounting records and reflect the consolidated financial position and results of operations for the three and nine months ended September 30, 2025 and 2024. Unless otherwise specified, all dollar amounts (other than per share amounts) are referred to in thousands.

The Unaudited Condensed Consolidated Financial Statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such SEC rules. We believe that the disclosures made are adequate to make the information presented not misleading. In our opinion, all adjustments considered necessary for a fair presentation of the financial statements have been included, and all adjustments are of a normal and recurring nature. We applied the accounting policies consistently with those used in the preparation of the Annual Report on Form 10-K in preparing these Unaudited Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. These Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements and the notes for the fiscal year ended December 31, 2024 included in the Annual Report on Form 10-K and filed with the SEC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Principles—The Unaudited Condensed Consolidated Financial Statements and accompanying notes are prepared in accordance with GAAP.

Use of Estimates—The preparation of Unaudited Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Unaudited Condensed Consolidated Financial Statements and accompanying notes. Significant estimates and assumptions reflected in the Unaudited Condensed Consolidated Financial Statements include, but are not limited to, useful lives of property and equipment, valuation of deferred tax assets and liabilities, stock-based compensation, operating lease right-of-use assets and liabilities, capitalization of internally developed software and associated useful lives, contingent liabilities, and valuation of goodwill and intangible assets from acquisitions. Actual results may differ materially from such estimates. Management believes that the estimates, and judgments upon which they rely, are

reasonable based upon information available to them at the time that these estimates and judgments are made. To the extent that there are material differences between these estimates and actual results, the Company's Unaudited Condensed Consolidated Financial Statements will be affected.

Advertising Costs—Advertising costs were approximately \$25,482 and \$62,666 for the three and nine months ended September 30, 2025, respectively, and \$18,149 and \$45,617 for the three and nine months ended September 30, 2024, respectively, and are included within Sales and marketing in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

Income Taxes—The Company's provision for income taxes is computed by using an estimate of the annual effective tax rate, adjusted for discrete items taken into account in the relevant period, if any. Each quarter, the annual effective income tax rate is recomputed and if there are material changes in the estimate, a cumulative adjustment is made.

Concentration of Credit Risk—The Company's concentration of credit risk relates to financial institutions holding the Company's cash and cash equivalents and platforms with significant accounts receivable balances and revenue transactions.

The Company maintains deposits and certificates of deposit with banks which exceed the Federal Deposit Insurance Corporation ("FDIC") insured limit and money market accounts which are not FDIC insured. Management believes that the financial institutions that hold the Company's deposits are financially credit worthy and, accordingly, minimal credit risk exists with respect to those balances.

The majority of revenue comes through the subscriptions and advertising streams, and payments are made to Duolingo through service providers. Three service providers, Apple, Google, and Stripe accounted for 68.4%, 15.3%, and 10.8%, respectively, of total Accounts receivable as of September 30, 2025. Two service providers, Apple and Google, accounted for 64.7% and 21.2%, respectively, of total Accounts receivable as of December 31, 2024.

Segment—The Company operates as a single operating segment and derives revenues from customers through time-based subscriptions, in-app advertising placement by third parties, the Duolingo English Test, and In-App Purchases. The Chief Executive Officer, as the chief operating decision maker, evaluates the Company's performance and allocates resources based on consolidated net income, as presented in the income statement, supplemented by disaggregated revenue details. Significant segment expenses are those that are presented on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income. The measure of segment assets is reported on the balance sheet as total consolidated assets. Accordingly, the Company has determined that it has a single reportable segment and operating segment structure, and operates as one reporting unit.

Impairment of long-lived assets—The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the sum of the estimated undiscounted future cash flows expected to result from the use and eventual disposition of an asset is less than the carrying amount of the asset, an impairment loss is recognized. Measurement of an impairment loss is based on the fair value of the asset. No assets were impaired during the three and nine months ended September 30, 2025 and 2024.

Allowance for Credit Losses—The Company evaluates its cash equivalents, accounts receivable and held-to-maturity marketable securities financial assets for expected credit losses. Expected credit losses represent the portion of the amortized cost basis of a financial asset that an entity does not expect to collect. An allowance for expected credit losses is meant to reflect a risk of loss even if remote, irrespective of the expectation of collection from a particular issuer or debt security. The Company has not historically experienced any credit losses on any of its financial assets.

With respect to cash equivalents and accounts receivable, given consideration of their short maturity, lack of historical losses and the current environment, the Company concluded there is generally no expected credit losses for these financial assets. With respect to held-to-maturity marketable securities which are comprised of debt securities, the Company evaluates expected credit losses on a pooled basis based on issuer-type which have similar credit risk characteristics. There is no allowance for credit losses for all periods presented.

Recent Accounting Pronouncements

Recently Issued Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09, *Income Taxes (Topic 740)*, which includes improvements to income tax disclosures. The standard is effective for the Company for the fiscal year ending December 31, 2025. The Company is evaluating the disclosure requirements related to the new standard.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures* (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendment requires new financial statement disclosures to provide disaggregated information for certain types of expenses, including employee compensation, depreciation, and amortization in commonly presented expense captions such as cost of revenue, sales and marketing, and general and administrative expenses. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the disclosure requirements related to the new standard.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software* (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendments in this update remove all references to prescriptive and sequential software development stages (referred to as “project stages”) throughout Subtopic 350-40. The amendments in this update are effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. The Company is in the process of evaluating the effect that the adoption of this standard may have on its consolidated financial statements.

Recently Adopted Accounting Pronouncements

There are no recently adopted accounting pronouncements.

3. FAIR VALUE

The Company accounts for certain assets and liabilities at fair value in accordance with the accounting guidance applicable to fair value measurements and disclosures. The carrying values of cash, cash equivalents, accounts receivable, accounts payable, and accrued expenses are deemed to be reasonable estimates of their fair values because of their short-term nature.

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring and non-recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that

market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions, and credit risk.

The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1—Observable inputs such as quoted prices in active markets for identical investments that the Company has the ability to access.

Level 2—Inputs include:

- Quoted prices for identical or similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices in active markets, which are observable either directly or indirectly;
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3—Unobservable inputs in which there is little or no market activity for the asset or liability, which require the reporting entity to develop its own estimates and assumptions relating to the pricing of the asset or liability including assumptions regarding risk.

The following table presents amortized cost, gross unrealized gains and losses, and fair value by major security type and balance sheet classification as of September 30, 2025 and December 31, 2024:

<i>(In thousands)</i>	As of September 30, 2025				Cash Equivalents	Short-Term Investments	Long-Term Investments
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value			
Cash	\$ —	\$ —	\$ —	\$ 111,334	\$ 111,334	\$ —	\$ —
Level 1							
Commercial paper	\$ 12,339	\$ 4	\$ —	\$ 12,343	\$ —	\$ 12,339	\$ —
Money market funds	900,208	—	—	900,208	900,208	—	—
Subtotal	\$ 912,547	\$ 4	\$ —	\$ 912,551	\$ 900,208	\$ 12,339	\$ —
Level 2							
Asset-backed securities	\$ 17,811	\$ 45	\$ —	\$ 17,856	\$ —	\$ —	\$ 17,811
Certificates of deposit	7,980	—	—	7,980	—	7,980	—
Corporate debt securities	142,952	172	(27)	143,097	—	83,717	59,235
U.S. Treasury securities	26,166	123	—	26,289	—	5,876	20,289
Subtotal	\$ 194,909	\$ 340	\$ (27)	\$ 195,222	\$ —	\$ 97,573	\$ 97,335
Level 3							
Investment in SAFE	\$ —	\$ —	\$ —	\$ 1,400	\$ —	\$ —	\$ 1,400
Subtotal	\$ —	\$ —	\$ —	\$ 1,400	\$ —	\$ —	\$ 1,400
Total	\$ 1,107,456	\$ 344	\$ (27)	\$ 1,220,507	\$ 1,011,542	\$ 109,912	\$ 98,735

(In thousands)	As of December 31, 2024				Cash Equivalents	Short-Term Investments	Long-Term Investments
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value			
Cash	\$ —	\$ —	\$ —	\$ 73,351	\$ 73,351	\$ —	\$ —
Level 1							
Commercial paper	\$ 15,659	\$ 2	\$ (1)	\$ 15,661	\$ —	\$ 15,659	\$ —
Money market funds	712,440	—	—	712,440	712,440	—	—
Subtotal	\$ 728,099	\$ 2	\$ (1)	\$ 728,101	\$ 712,440	\$ 15,659	\$ —
Level 2							
Asset-backed securities	\$ 16,280	\$ 10	\$ (1)	\$ 16,289	\$ —	\$ 697	\$ 15,583
Certificates of deposit	11,521	—	(14)	11,507	—	11,521	—
Corporate debt securities	126,031	7	(494)	125,543	—	55,013	71,018
U.S. Treasury securities	19,255	2	(61)	19,195	—	8,964	10,291
Subtotal	\$ 173,087	\$ 19	\$ (570)	\$ 172,534	\$ —	\$ 76,195	\$ 96,892
Level 3							
Investment in SAFE	\$ —	\$ —	\$ —	\$ 1,400	\$ —	\$ —	\$ 1,400
Subtotal	\$ —	\$ —	\$ —	\$ 1,400	\$ —	\$ —	\$ 1,400
Total	\$ 901,186	\$ 21	\$ (571)	\$ 975,386	\$ 785,791	\$ 91,854	\$ 98,292

As of September 30, 2025 and December 31, 2024, all of the Company's short-term investments have contractual maturities of one year or less and all of the Company's long-term investments have contractual maturities between one and four years. The Company has elected to present accrued interest within Prepaid expenses and other current assets in the Unaudited Condensed Consolidated Balance Sheets. Accrued interest was \$1,956 and \$1,487 as of September 30, 2025 and December 31, 2024, respectively.

Changes in market interest rates, credit risk of borrowers and overall market liquidity, among other factors, may cause the short-term and long-term debt investments to fall below their amortized cost basis, resulting in unrealized losses. For those debt securities in an unrealized loss position as of September 30, 2025, the Company does not intend to sell, nor is it more likely than not that it will be required to sell, such securities before recovering the amortized cost basis. No allowance for credit losses were recognized in the financial statements for held-to-maturity debt securities for the periods ended September 30, 2025 and 2024.

Cash equivalents consist primarily of money market accounts with maturities of three months or less at the date of acquisition and are classified within Level 1.

The Company's investments in corporate debt securities, U.S. Treasury securities, certificates of deposit, and asset-backed securities, which collectively are investments in held-to-maturity debt securities, are classified within Level 2, as their valuation requires quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and/or model-

based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data.

4. ACQUISITIONS

During July 2025, the Company completed an acquisition which strengthened its in-house capabilities by bringing onboard additional design and engineering talent. The total aggregate consideration was \$34,500, of which \$33,100 represents the purchase price allocated to the fair value of the intangible assets and goodwill, as detailed below. The purchase price was paid in cash upon closing, and \$1,400 has been held back until certain post-acquisition conditions are satisfied. This \$1,400, is contingent on one year of continued service of certain employees, and will be expensed over the period within General and administrative in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income. During 2025, the Company incurred \$1,285 of acquisition costs related to due diligence and valuation, which are included in General and administrative expense within the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

The accounting for the acquisitions has not yet been completed because the Company has not finalized the valuations of the identifiable intangible assets, including goodwill. The following table summarizes the Company's preliminary allocation of the purchase consideration based on the fair value of assets acquired and liabilities assumed at the acquisition date:

<i>(In thousands)</i>	July 2025
Intangible assets, net	
Intellectual property	\$ 8,303
Goodwill	24,797
Total purchase price	\$ 33,100

Goodwill is attributable to the assembled workforce, expected future technologies, and anticipated synergies arising from the acquisitions. \$11,697 of the goodwill recognized is expected to be deductible for income tax purposes.

5. REVENUE

Disaggregation of Revenue

In accordance with ASC 606, *Revenue from Contracts with Customers*, the Company disaggregates revenue from contracts with customers into revenue streams, which most closely depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues:				
Subscription	\$ 229,491	\$ 157,617	\$ 631,156	\$ 433,214
Other (1)	42,222	34,977	123,565	105,260
Total revenues	\$ 271,713	\$ 192,594	\$ 754,721	\$ 538,474

(1) Other revenue is comprised of the below.

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Advertising	\$ 21,019	\$ 14,405	\$ 59,504	\$ 40,615
Duolingo English Test	9,649	10,772	31,723	34,225
In-App Purchases	11,096	9,411	30,928	29,511
Other	458	389	1,410	909
Total other revenue	\$ 42,222	\$ 34,977	\$ 123,565	\$ 105,260

Two service providers, Apple and Google, processed 62.2% and 23.3% and three service providers, Apple, Google, and Stripe processed 61.6%, 23.5%, and 10.1% of total revenues for the three and nine months ended September 30, 2025, respectively. Three services providers, Apple, Google, and Stripe processed 61.4%, 23.1%, and 11.4%, and 60.5%, 23.5% and 11.8% of total revenues for the three and nine months ended September 30, 2024, respectively.

Deferred revenue mostly consists of payments received in advance of revenue recognition, and is mostly related to time-based subscriptions, which will be recognized into revenue over the course of the upcoming year (recognized over 12 months or less). Additionally, the Duolingo English Test has deferred revenue related to tests that have been purchased, but will not be recognized until the tests have been proctored. Changes in deferred revenues were as follows:

<i>(In thousands)</i>	Nine Months Ended September 30,	
	2025	2024
Beginning balance—January 1	\$ 372,884	\$ 249,192
Amount from beginning balance recognized into revenue	(339,992)	(227,305)
Recognition of deferred revenue	(345,288)	(239,410)
Deferral of revenue	754,123	528,126
Ending balance—September 30	\$ 441,728	\$ 310,603

6. PROPERTY and EQUIPMENT, net

Property and equipment, net, consists of the following:

<i>(In thousands)</i>	September 30, 2025	December 31, 2024
Leasehold improvements	\$ 32,594	\$ 26,938
Furniture, fixtures and equipment	12,290	8,415
Total property and equipment	44,884	35,353
Less: accumulated depreciation	(20,258)	(16,410)
Total property and equipment, net	\$ 24,626	\$ 18,943

Depreciation expense is included within the following financial statement line items within the Company's Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development	\$ 826	\$ 648	\$ 2,451	\$ 1,588
Sales and marketing	93	77	294	188
General and administrative	354	613	1,120	1,770
Total	\$ 1,273	\$ 1,338	\$ 3,865	\$ 3,546

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets, net, consist of the following:

<i>(In thousands)</i>	September 30, 2025	December 31, 2024
Capitalized software	\$ 42,029	\$ 35,681
Acquired intangible assets	9,310	1,007
Other indefinite-lived intangible assets	252	117
Total intangible assets	51,591	36,805
Less: accumulated amortization	(23,623)	(16,906)
Intangible assets, net	<u>\$ 27,968</u>	<u>\$ 19,899</u>

The Company capitalized \$6,348 and \$8,545 of software development costs, with the majority of the costs being employee wages, during the nine months ended September 30, 2025 and 2024, respectively. Amortization expense is included within the following financial statement line items within the Company's Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenues	\$ 2,131	\$ 1,397	\$ 6,299	\$ 3,189
Sales and marketing	149	141	419	458
Total	<u>\$ 2,280</u>	<u>\$ 1,538</u>	<u>\$ 6,718</u>	<u>\$ 3,647</u>

The estimated future amortization expense of capitalized software and acquired technology with definite lives as of September 30, 2025 was as follows:

<i>(In thousands)</i>	Amortization Expense
Remainder of 2025	\$ 2,528
2026	11,417
2027	7,838
2028	3,402
2029	1,458
Thereafter	1,073
Total estimated future amortization expense	<u>\$ 27,716</u>

The following table represents the changes to goodwill during the nine months ended September 30, 2025:

	Carrying amount
Balance as of December 31, 2024	\$ 10,538
Acquisition	24,797
Balance as of September 30, 2025	<u>\$ 35,335</u>

As of September 30, 2025 and December 31, 2024, \$18,042 and \$6,923 of goodwill is deductible for tax purposes, respectively.

8. LEASES

The Company has entered into various operating leases for its office space expiring between fiscal 2025 and 2036. Certain lease agreements contain an option for the Company to renew a lease for a term of up to five years. The Company considers these options, which may be elected at the Company's sole discretion, in determining the lease term on a lease-by-lease basis.

In May 2025, the Company entered into an amendment (the "Third Amendment") to the Office Lease Agreement with 5704 Penn Office, LLC (the "Landlord") for office space located at Liberty East (the "Premise") at 141 South Saint Clair Street, Pittsburgh, Pennsylvania. The Third Amendment grants the Company access to and control of the expansion space to begin tenant improvement work as of the effective date in May 2025.

As a result of obtaining control of the Premise, the lease was recognized on the Company's balance sheet in the second quarter of 2025 in accordance with ASC 842. \$35,592 was recognized as a right-of-use-asset and \$38,964 was recognized as a lease liability as part of the amendment on the Company's Unaudited Condensed Consolidated. Under the terms of the Third Amendment, the Landlord provided the Company with a tenant improvement allowance for costs related to the design, permitting, and construction of improvements to the Premise. As of September 30, 2025, \$6,809 related to this allowance was recognized within Unaudited Condensed Consolidated Balance Sheet within Other Assets. The full lease term extends through April 30, 2036, and includes approximately 148,266 square feet of leased space.

The following represents the components of lease cost for the three and nine months ended September 30, 2025 and 2024 along with supplemental disclosures of cash flow information, lease term and discount rate:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease cost	\$ 3,393	\$ 2,155	\$ 8,281	\$ 7,851
Short term lease cost	135	12	255	34
Variable lease cost	69	100	315	352
Total lease cost	<u>\$ 3,597</u>	<u>\$ 2,267</u>	<u>\$ 8,851</u>	<u>\$ 8,237</u>
Cash paid for amounts included in the measurement of lease liabilities	\$ 1,159	\$ 982	\$ 3,343	\$ 4,627
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ —	\$ —	\$ 36,025	\$ 33,039
Right of use assets disposed or adjusted, modifying operating leases liabilities	\$ —	\$ —	\$ —	\$ 1,303
Gain from termination of leases	\$ —	\$ —	\$ —	\$ 8
			<u>September 30, 2025</u>	<u>September 30, 2024</u>
Weighted-average remaining lease term			10 years	9 years
Weighted-average discount rate			6.94 %	7.14 %

The following table reconciles future minimum undiscounted rental commitments for operating leases to operating lease liabilities recorded on the Unaudited Condensed Consolidated Balance Sheet as of September 30, 2025:

Fiscal year		
Remainder of 2025	\$	1,029
2026		12,174
2027		14,578
2028		14,606
2029		15,053
Thereafter		78,259
Total undiscounted lease payments	\$	135,699
Present value adjustment		(38,376)
Operating lease liabilities	\$	97,323

Current lease liabilities of \$4,066 and \$2,581 are presented within Accrued expenses and other liabilities while non-current lease liabilities of \$93,257 and \$54,656 are presented within Long-term obligation under operating leases on the Unaudited Condensed Consolidated Balance Sheets as of September 30, 2025 and Audited Consolidated Balance Sheet as of December 31, 2024, respectively.

9. INCOME TAXES

Year-to-date income tax expense or benefit is the product of the most current projected annual effective tax rate (“PAETR”) and the actual year-to-date pretax income, adjusted for any discrete items. The income tax expense or benefit for a particular quarter is the difference between the year-to-date calculation of income tax expense or benefit and the year-to-date calculation for the prior year period. Items unrelated to current period ordinary income or loss are recognized entirely in the period identified as a discrete item of tax.

The Company’s PAETR differs from the U.S. federal statutory rate of 21.0% during the three and nine months ended September 30, 2025 and 2024 primarily due to the impact of the Federal and State research and development credit generated. In the three months ended September 30, 2025, we also recorded a discrete tax benefit primarily related to the release of our federal and state valuation allowance of net deferred tax assets and the excess tax benefits of stock-based compensation.

The Company regularly assess the realizability of our deferred tax assets (“DTAs”) under ASC Topic 740, Income Taxes. In determining whether a valuation allowance is required, management considers all available positive and negative evidence, giving greater weight to evidence that is objectively verifiable.

During the three months ended September 30, 2025, the Company released the valuation allowance previously recorded against its federal and state DTAs, resulting in a one-time income-tax benefit, net of a return-to-provision adjustment, in the period of \$222,688. In reaching this conclusion, management considered several key factors, including (1) ten consecutive quarters of pre-tax income, (2) achievement of a three-year cumulative income position, and (3) sustained operational profitability. Management will continue to monitor all relevant positive and negative evidence in future periods and may provide a valuation allowance if actual results or new information differ from current expectations.

The income-tax benefit for the three months ended September 30, 2025 reflects the combined impact of the valuation-allowance release and other discrete tax items recognized during the period, which are not

indicative of ongoing operating performance. The decision to release the valuation allowance was based primarily on sustained and verifiable positive evidence.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law. Included in this legislation are provisions that allow for the immediate expensing of domestic research and development expenses, which the Company implemented during the three months ended September 30, 2025. These changes did not have a material impact to the overall financial statements.

The Company's income before taxes, income tax provision or benefit and effective tax rates were as follows. The large variance in the effective tax rate between periods primarily reflects the recognition of the valuation-allowance release and other discrete tax benefits in three and nine months ended September 30, 2025.

<i>(In thousands, except percentages)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Income before income taxes	\$ 46,449	\$ 25,389	\$ 127,909	\$ 79,954
(Benefit from) provision for income taxes	(245,746)	2,029	(244,202)	5,287
Effective tax rate	nm	8.0 %	nm	6.6 %

For the three and nine months ended September 30, 2025, the Company recorded an income tax benefit of \$245,746 and \$244,202, respectively. For the three and nine months ended September 30, 2024, the Company recorded an income tax provision of \$2,029 and \$5,287, respectively. The income tax benefit in 2025 was primarily due to the release of the valuation allowance discussed above during the three months ended September 30, 2025.

10. STOCK-BASED COMPENSATION

Prior to the IPO, the Company granted options to purchase shares of the Company's common stock and restricted stock units ("RSU") in respect of shares of the Company's common stock to employees, directors and consultants under the Company's 2011 Equity Incentive Plan. In connection with the IPO, the Company adopted the 2021 Incentive Award Plan ("2021 Plan") and the 2021 Employee Stock Purchase Plan ("ESPP"), both of which became effective on July 26, 2021. The 2021 Plan and ESPP include an annual share increase provision through January 1, 2031, subject to limits and Board discretion. On January 1, 2025, the number of Class A shares available under the 2021 Plan was increased by 2,247 shares of common stock. No grants have been made under the ESPP, and in February 2025, the Board waived all future automatic share increases under the ESPP.

The Company's stock options generally vest over four years based on continued service to the Company and its subsidiaries. Each option has a term of ten years. Any stock options granted under the 2021 Plan must generally have an exercise price of not less than the estimated fair market value of the underlying Class A common stock at the date of the grant, but as of September 30, 2025 no options had been granted under the 2021 Plan.

A summary of stock option activity as of September 30, 2025 is as follows:

<i>(In thousands, except prices and years)</i>	Number of options	Weighted-average exercise price	Weighted- average remaining contractual life (years)	Aggregate intrinsic value
Options outstanding at January 1, 2025	1,523	\$ 18.73	4.67	\$ 465,985
Granted (1)	—			
Exercised	(538)	18.19		
Forfeited and expired (2)	—	—		
Options outstanding at September 30, 2025	<u>985</u>	\$ 19.02	4.05	\$ 300,428
Options exercisable at September 30, 2025	<u>985</u>	\$ 19.02	4.05	\$ 300,428

(1) There were no stock options granted during the three and nine months ended September 30, 2025.

(2) There was a nominal amount of forfeitures and expirations during the three and nine months ended September 30, 2025.

The total intrinsic value of options exercised was approximately \$189,412 and \$151,558 for the periods ended September 30, 2025 and 2024, respectively.

The Company began to grant RSUs in November 2020. The fair value of RSUs is estimated based on the fair value of our Class A common stock on the date of grant. Each RSU vests based upon the satisfaction of length of service. The Company measures and recognizes stock-based compensation expense for all stock-based awards based on the estimated fair value of the award.

A summary of RSU activity as of September 30, 2025 is as follows:

<i>(In thousands, except prices)</i>	Restricted stock units	Weighted-average grant date fair value per share
Outstanding at January 1, 2025	1,802	\$ 143.96
Granted	486	438.27
Released	(635)	131.64
Forfeited	(106)	206.52
Outstanding at September 30, 2025	<u>1,547</u>	<u>\$ 237.27</u>

As of September 30, 2025, there was no unrecognized stock-based compensation expense related to stock options granted under the plans. The amount of unrecognized stock-based compensation expense for RSUs as of September 30, 2025 was \$338,598 with a weighted-average period of approximately three years.

There were 10,818 shares available for grant at September 30, 2025.

Performance-based RSUs

In June 2021, the Company granted an aggregate of 1,800 performance-based RSUs (the "Founder Awards") to its founders. Vesting is subject to both service- and performance-based conditions, with settlement occurring one year after vesting. The awards vest in 10 tranches based on stock-price hurdles measured over a ten year period from the grant date. The service condition vests 25% annually beginning on the IPO anniversary, July 30, 2021, subject to continued service.

The Company used a Monte Carlo simulation to estimate the fair value of the Founder Awards. The weighted-average grant date fair value was \$61.56 per share, and total estimated expense to be recognized over the derived service periods (ranging from 3.58 to 5.92 years) is \$110,817. Stock-based compensation expense is recognized over the derived service period, regardless of whether the stock-price hurdles are achieved, and is accelerated if hurdles are met earlier.

The Company recognized \$1,741 and \$9,818 of stock-based compensation expense related to the Founder Awards for the three and nine months ended September 30, 2025, and \$4,410 and \$15,507 for the three and nine months ended September 30, 2024, respectively. As of September 30, 2025, \$7,118 of unrecognized stock-based compensation expense remains.

Total stock-based compensation expense was \$35,565 and \$101,175 for the three and nine months ended September 30, 2025, and \$28,959 and \$80,690 for the three and nine months ended September 30, 2024, respectively.

Stock-based compensation expense is included in the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income as shown in the following table:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenues	\$ 28	\$ 20	\$ 72	\$ 54
Research and development	22,821	16,230	61,115	43,331
Sales and marketing	1,633	1,305	4,657	3,557
General and administrative	11,083	11,404	35,331	33,748
Total	\$ 35,565	\$ 28,959	\$ 101,175	\$ 80,690

Nominal amounts of stock-based compensation expense is capitalized into intangible assets for the three and nine months ended September 30, 2025 and 2024.

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings— From time to time, the Company may become involved in various legal proceedings in the ordinary course of its business and may be subject to third-party infringement claims. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain. The Company is not currently party to any material legal proceedings.

Related Parties— The Company has determined that there were no transactions with related parties as of or during the three and nine months ended September 30, 2025 and 2024.

Letters of Credit— The Company has a standby letter of credit obtained in connection with an operating lease. This letter of credit acts as security for the faithful performance by us of all terms, covenants and conditions of the lease agreement. The amount of the letter of credit is equal to six months rent of \$442, totaling \$2,656. The cash collateral for the letter of credit has been recognized as restricted cash in the Unaudited Condensed Consolidated Balance Sheet and is equivalent to 103% of the letter of credit and totaled \$2,735.

12. EMPLOYEE BENEFIT PLAN

The Company sponsors a profit sharing plan with a 401(k) feature, the Duolingo Retirement Plan (the "Plan"), for eligible employees. The current Plan, effective January 1, 2021, provides for Company safe harbor matching contributions of 100% of the first 4% of the employees' elective deferrals and 50% of the next 2%, with vesting starting upon the first day of employment. The Company also has the option to

make discretionary matching or profit sharing contributions. The Company made safe harbor matching contributions of approximately \$2,183 and \$1,807 during the three months ended September 30, 2025 and 2024, respectively, and \$6,212 and \$5,095 during the nine months ended September 30, 2025 and 2024, respectively. The Company did not make any discretionary matching or profit sharing contributions during the three and nine months ended September 30, 2025 or 2024.

13. EARNINGS PER SHARE

Basic and diluted net income per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities.

Basic net income per share attributable to common stockholders is calculated by dividing the net income by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. The diluted net income per share attributable to common stockholders is calculated by giving effect to all potential dilutive common stock equivalents outstanding for the period. The rights, including the liquidation and dividend rights, of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share and each share of Class B common stock is entitled to 20 votes per share. Each share of Class B common stock is convertible into a share of Class A common stock voluntarily at any time by the holder, and automatically upon certain events. The Class A common stock has no conversion rights. As the liquidation and dividend rights are identical for Class A and Class B common stock, the undistributed earnings are allocated on a proportional basis and the resulting net income per share attributable to common stockholders will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

<i>(In thousands, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net income attributable to Class A and Class B common stockholders	\$ 292,195	\$ 23,360	\$ 372,111	\$ 74,667
Denominator:				
Weighted-average shares in computing net income per share attributable to Class A and Class B common stockholders, basic	45,950	43,707	45,572	43,253
Effect of dilutive securities				
Founder awards where performance has been met	720	270	720	270
Dilutive effect of stock options outstanding (1)	927	2,054	927	2,054
RSUs outstanding	1,547	1,938	1,547	1,938
Denominator for dilutive net income per common share - weighted-average shares	49,144	47,969	48,766	47,515
Basic income per common share	\$ 6.36	\$ 0.53	\$ 8.17	\$ 1.73
Diluted income per common share	\$ 5.95	\$ 0.49	\$ 7.63	\$ 1.57

(1) The Company had 1.0 million options outstanding as of September 30, 2025. The estimated dilutive effect is calculated as the number of shares expected to be issued upon vesting or exercise, adjusted for the strike price proceeds that are received by the Company and assumed to be used to repurchase shares of Duolingo common stock.

14. SUBSEQUENT EVENTS

None.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, the audited consolidated financial statements and related notes included in our Annual Report on Form 10-K and in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K. The following discussion contains forward-looking statements, such as those relating to our plans, objectives, expectations, intentions, and beliefs, that involve risks, uncertainties and assumptions. Our actual results could differ materially from these forward-looking statements as a result of many factors, including those discussed in "Special Note Regarding Forward-Looking Statements," and included elsewhere in this Quarterly Report on Form 10-Q, and in Part I, Item 1A. "Risk Factors," and Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K. Our historical results are not necessarily indicative of the results that may be expected for any periods in the future.

Amounts reported in millions are rounded based on the amounts in thousands. As a result, the sum of the components reported in millions may not equal the total amount reported in millions due to rounding. In addition, percentages presented are calculated from the underlying numbers in thousands and may not add to their respective totals due to rounding.

Overview

Our flagship app has organically become the world's most popular way to learn languages and the top-grossing Education app in the App Stores, offering courses in over 40 languages to over 135 million monthly active users for the three months ended September 30, 2025. We believe that we have become the preeminent online destination for language learning due to our beautifully designed products, exceptional user engagement, and demonstrated learning efficacy.

Key Operating Metrics and Non-GAAP Financial Measures

We regularly review a number of key operating metrics and non-GAAP financial measures to evaluate our business, measure our performance, identify trends, prepare financial projections and make business decisions. The measures set forth below should be considered in addition to, not as a substitute for or in isolation from, our financial results prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP"). Monthly active users (MAUs) and daily active users (DAUs), along with paid subscribers, subscription bookings and total bookings, are operating metrics that help inform management about the underlying growth in users of our platform, and are a measure of our monetization efforts. To calculate the year-over-year change in MAUs and DAUs for a given period, we subtract the average for the same period in the previous year from the average for the same period in the current year and divide the result by the average for the same period in the previous year. Other companies, including companies in our industry, may calculate these measures differently or not at all, which reduces their usefulness as comparative measures.

<i>(In millions)</i>	Three Months Ended September 30,	
	2025	2024
Operating Metrics		
Monthly active users (MAUs)	135.3	113.1
Daily active users (DAUs)	50.5	37.2
Paid subscribers (at period end)	11.5	8.6

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Metrics				
Subscription bookings	\$ 240,270	\$ 176,309	\$ 699,713	\$ 494,259
Total bookings	\$ 281,919	\$ 211,456	\$ 821,587	\$ 599,000
Non-GAAP Financial Measures				
Net income (GAAP) (1)	\$ 292,195	\$ 23,360	\$ 372,111	\$ 74,667
Adjusted EBITDA	\$ 80,046	\$ 47,508	\$ 221,530	\$ 139,630
Net cash provided by operating activities (GAAP)	\$ 84,239	\$ 56,267	\$ 280,545	\$ 202,169
Free cash flow (2)	\$ 77,356	\$ 51,244	\$ 266,692	\$ 183,469

(1) During the three months ended September 30, 2025, the Company released the valuation allowance previously recorded against its federal and state deferred tax assets, resulting in a one-time income-tax benefit, net of a return-to-provision adjustment, in the period of \$222.7 million.

(2) The prior period has been recast to conform to current period presentation.

Operating Metrics

Monthly active users (MAUs). MAUs are defined as unique users who engage with our Duolingo App or the learning section of our website each month. MAUs are reported for a measurement period by taking the average of the MAUs for each calendar month in that measurement period. The measurement period for MAUs is the three months ended September 30, 2025 and the same period in the prior year where applicable, and the analysis of results is based on those periods. MAUs are a measure of the size of our global active user community on Duolingo.

We had approximately 135.3 million and 113.1 million MAUs for the three months ended September 30, 2025 and 2024, respectively, representing an increase of 20% from the prior year period. We grew MAUs through product initiatives designed to make the app more social and engaging, through marketing, and through improving our courses, all of which we believe helped us attract new users, retain existing users, and reengage the millions of former users who return to our Duolingo App.

Daily active users (DAUs). DAUs are defined as unique users who engage with our Duolingo App or the learning section of our website each calendar day. DAUs are reported for a measurement period by taking the average of the DAUs for each day in that measurement period. The measurement period for DAUs is the three months ended September 30, 2025 and the same period in the prior year where applicable, and the analysis of results is based on those periods. DAUs are a measure of the consistent engagement of our global user community on Duolingo.

We had approximately 50.5 million and 37.2 million DAUs for the three months ended September 30, 2025 and 2024, respectively, representing an increase of 36% from the prior year period. The DAU / MAU

ratio, which we believe is an indicator of user engagement, increased to 37.3% from 32.9% a year ago. We grew DAUs through many of the same marketing and product initiatives as we grew MAUs, such as making the product more fun and engaging.

Paid Subscribers. Paid subscribers are defined as users who pay for access to any Duolingo subscription offering and had an active subscription as of the end of the measurement period. Each unique user account is treated as a single paid subscriber regardless of whether such user purchases multiple subscriptions, and the count of paid subscribers does not include users who are currently on a free trial or who are non-paying members of a family plan.

As of September 30, 2025 and 2024, we had approximately 11.5 million and 8.6 million paid subscribers, respectively, representing an increase of 34% from the prior year period. We grew paid subscribers through product initiatives designed to make Duolingo subscription offerings more appealing, which we believe helped us attract new subscribers and retain existing subscribers.

Subscription Bookings and Total Bookings. Subscription bookings represent the amounts we receive from a purchase of any Duolingo subscription offering. Total bookings include subscription bookings, income from advertising networks for advertisements served to our users, purchases of the Duolingo English Test, and in-app purchases of virtual goods. We believe bookings provide an indication of trends in our operating results, including cash flows, that are not necessarily reflected in our revenues because we recognize subscription revenues ratably over the lifetime of a subscription, the majority of which are twelve months in duration.

For the three months ended September 30, 2025 and 2024 we generated \$240.3 million and \$176.3 million of subscription bookings, respectively, representing an increase of 36%. For the nine months ended September 30, 2025 and 2024, we generated \$699.7 million and \$494.3 million of subscription bookings, respectively, representing an increase of 42%. We grew subscription bookings by selling more first-time and renewal subscriptions.

For the three months ended September 30, 2025 and 2024 we generated \$281.9 million and \$211.5 million of total bookings, respectively, representing an increase of 33% from the prior year period. For the nine months ended September 30, 2025 and 2024, we generated \$821.6 million and \$599.0 million total bookings, respectively, representing an increase of 37% from the prior year period. We grew total bookings primarily through growth in subscription bookings as noted above.

Non-GAAP Financial Measures

We use certain non-GAAP financial measures to supplement our Unaudited Condensed Consolidated Financial Statements, which are presented in accordance with GAAP. These non-GAAP financial measures include Adjusted EBITDA, free cash flow and constant currency measures. We use these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. By excluding certain items that may not be indicative of our recurring core operating results, we believe that Adjusted EBITDA, free cash flow and constant currency provide meaningful supplemental information regarding our performance. The effect of currency exchange rates on our business is an important factor in understanding period to period comparisons. We use non-GAAP constant currency measures and non-GAAP percentage change in constant currency measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Accordingly, we believe these non-GAAP financial measures are useful to investors and others because they allow for additional information with respect to financial measures used by management in its financial and operational decision-making and they may be used by our institutional investors and the analyst community to help them analyze the health of our business. However, there are a number of limitations related to the use of non-GAAP financial measures, and these non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, our financial results

prepared in accordance with GAAP. Other companies, including companies in our industry, may calculate these non-GAAP financial measures differently or not at all, which reduces their usefulness as comparative measures.

Adjusted EBITDA. Adjusted EBITDA is defined as net income excluding interest income, income taxes, depreciation and amortization, stock-based compensation expenses related to equity awards, transaction costs related to acquisitions and acquisition earn-out costs. Beginning in Q3 2025, we expanded our Adjusted EBITDA definition to include integration costs related to acquisitions. Adjusted EBITDA is used by management to evaluate the financial performance of our business and we present Adjusted EBITDA because we believe it is helpful in highlighting trends in our operating results and that it is frequently used by analysts, investors and other interested parties to evaluate companies in our industry. The following table presents a reconciliation of our net income, the most directly comparable financial measure presented in accordance with GAAP, to Adjusted EBITDA.

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income (1)	\$ 292,195	\$ 23,360	\$ 372,111	\$ 74,667
Add (deduct):				
Interest income	(11,793)	(11,246)	(33,635)	(32,000)
(Benefit from) provision for income taxes	(245,746)	2,029	(244,202)	5,287
Depreciation and amortization	3,553	2,876	10,583	7,193
Stock-based compensation expenses related to equity awards (2)	37,368	29,990	111,414	83,647
Acquisition transaction and integration costs (3)	4,204	399	4,794	736
Acquisition earn-out costs (4)	265	100	465	100
Adjusted EBITDA	\$ 80,046	\$ 47,508	\$ 221,530	\$ 139,630

(1) During the three months ended September 30, 2025, the Company released the valuation allowance previously recorded against its federal and state deferred tax assets, resulting in a one-time income-tax benefit, net of a return-to-provision adjustment, in the period of \$222.7 million.

(2) In addition to stock-based compensation expense of \$35.6 million and \$29.0 million for the three months ended September 30, 2025 and 2024, respectively, and \$101.2 million and \$80.7 million for the nine months ended September 30, 2025 and 2024, respectively, this includes costs incurred related to taxes paid on equity transactions as follows:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development	\$ 981	\$ 577	\$ 3,745	\$ 1,489
Sales and marketing	53	31	210	84
General and administrative	769	423	6,284	1,384
Total	\$ 1,803	\$ 1,031	\$ 10,239	\$ 2,957

(3) Represents costs incurred related to acquisition transaction and integration costs, including legal and accounting fees, which are included within our Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income as follows:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Transaction costs				
General and administrative	\$ 695	399	1,285	736
Integration costs				
Research and development	\$ 2,798	\$ —	\$ 2,798	\$ —
Sales and marketing	133	—	133	0
General and administrative	578	—	578	—
Total Integration	3,509	—	3,509	0
Total transaction and integration costs	\$ 4,204	\$ 399	\$ 4,794	\$ 736

(4) Represents costs incurred related to the earn-out payments on acquisitions, which is included within General and administrative expense within our Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income.

For the three months ended September 30, 2025 and 2024, we generated net income of \$292.2 million and \$23.4 million, respectively. For the nine months ended September 30, 2025 and 2024 we generated net income of \$372.1 million and \$74.7 million, respectively. Net income for 2025 included a one-time income-tax benefit, net of a return-to-provision adjustment reflecting refinements to our tax calculation methodology, in the three months ended September 30, 2025 of \$222,688. The increase in net income, excluding the impact from the valuation allowance, as compared to the comparative periods was primarily due to our growth in revenue, offset by increased compensation, marketing, and acquisition related expenses.

For the three months ended September 30, 2025 and 2024, we generated Adjusted EBITDA of \$80.0 million and \$47.5 million, respectively. For the nine months ended September 30, 2025 and 2024, we generated Adjusted EBITDA of \$221.5 million and \$139.6 million, respectively. Adjusted EBITDA increased as compared to the comparative periods as a result of higher revenue, and was partially offset by an increase in operating expenses driven primarily by headcount growth.

Free Cash Flow. Free cash flow is defined as net cash provided by operating activities, less capitalized software development costs and purchases of property and equipment. Beginning in the first quarter of 2025, we have aligned our calculation of free cash flow to this definition, and prior periods in this Quarterly Report on Form 10-Q have been recast to conform to this presentation. We believe that free cash flow is a measure of liquidity that provides useful information to our management, investors and others in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business. Free cash flow has certain limitations in that it does not represent our residual cash flow for discretionary expenditures and our non-discretionary commitments. The following table presents a reconciliation of net cash provided by operating activities, the most directly comparable financial measure calculated in accordance with GAAP, to free cash flow:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 84,239	\$ 56,267	\$ 280,545	\$ 202,169
Less: Capitalized software development costs and purchases of intangible assets	(2,021)	(1,845)	(6,484)	(8,545)
Less: Purchases of property and equipment	(4,862)	(3,178)	(7,369)	(10,155)
Free cash flow (1)	\$ 77,356	\$ 51,244	\$ 266,692	\$ 183,469

(1) The prior period has been recast to conform to current period presentation.

For the three months ended September 30, 2025 and 2024 we generated \$84.2 million and \$56.3 million of net cash provided by operating activities, respectively, which was mainly due to our generation of positive net income as discussed under the heading Adjusted EBITDA above. For the nine months ended September 30, 2025 and 2024, we generated \$280.5 million and \$202.2 million of net cash provided by operating activities, respectively. The increase as compared to the comparative prior periods was primarily due to higher net income adjusted for non-cash items and changes in working capital, including an increase in deferred revenue.

For the three months ended September 30, 2025 and 2024, we generated \$77.4 million and \$51.2 million of free cash flow, respectively. For the nine months ended September 30, 2025 and 2024, we generated \$266.7 million and \$183.5 million of free cash flow, respectively. The increases as compared to the comparative prior periods were primarily due to increases in cash from operations. For the three months ended September 30, 2025, increases in capitalized software development costs and purchases of intangible assets and property and equipment partially offset the increase in net cash provided by operating activities. For the nine months ended September 30, 2025, a decrease in capitalized software development costs and purchases of intangible assets and purchases of property and equipment also contributed to the increase in free cash flow.

Constant Currency. The effect of currency exchange rates on our business is an important factor in understanding period to period comparisons. We use non-GAAP percentage change in constant currency revenues and bookings, which exclude the impact of fluctuations in foreign currency exchange rates, for financial and operational decision-making and as a means to evaluate period-to-period comparisons. We believe this information is useful to investors to facilitate comparisons and better identify trends in our business. The impact of changes in foreign currency may vary significantly from period to period, and such changes generally are outside of the control of our management. We calculate constant currency revenues by translating current period foreign currency revenues using prior-year exchange rates applied consistently over the full revenue recognition period. We calculate constant currency bookings by using current period foreign currency bookings and translating them to constant currency using prior year comparable period exchange rates. The constant currency percentage change for revenues and bookings is calculated by dividing the difference between the constant currency amount and the prior year comparable period amount by the prior year comparable period amount.

The following table provides the changes in bookings and revenues on a reported basis and constant currency basis:

(in thousands)	Three Months Ended September 30,			Constant Currency Change %	Nine Months Ended September 30,			Constant Currency Change %
	2025	2024	% Change		2025	2024	% Change	
Revenue								
Subscription	\$ 229,491	\$ 157,617	46%	46%	\$ 631,156	\$ 433,214	46%	47%
Total revenues	\$ 271,713	\$ 192,594	41%	42%	\$ 754,721	\$ 538,474	40%	41%
Bookings								
Subscription	\$ 240,270	\$ 176,309	36%	34%	\$ 699,713	\$ 494,259	42%	41%
Total Bookings	\$ 281,919	\$ 211,456	33%	31%	\$ 821,587	\$ 599,000	37%	37%

Components of Our Results of Operations

Revenue

We generate revenues primarily from the sale of subscriptions. The term-length of our subscription agreements are primarily monthly or annual, with the family plan offered as an annual subscription. We also generate revenue from advertising, the in-app sale of virtual goods, and the Duolingo English Test. We may run experiments that result in a different mix of revenue from these levers in the future. Duo's Taquería also generates a small portion of our revenue.

Cost of Revenues

Cost of revenues predominantly consists of third-party payment processing fees charged by various distribution channels in addition to hosting fees and generative AI costs. To a much lesser extent, cost of revenues includes customer support costs, such as contractor fees, wages and stock-based compensation for certain employees working in customer support. It also includes the amortization of revenue generating capitalized software, and depreciation of certain property and equipment.

We intend to continue to invest additional resources in our infrastructure to expand the capabilities of our platform and allow our users to realize the full benefit of our products. The level, timing, and relative investment in these areas could affect our cost of revenues in the future.

Gross Profit and Gross Margin

Gross profit represents revenues less cost of revenues. Gross margin is gross profit expressed as a percentage of revenues. Our gross profit may fluctuate from period to period as our revenues fluctuate, and also as a result of the timing and amount of investments we make in items related to cost of revenues.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, and stock-based compensation expense. Operating expenses also include overhead costs for facilities, including depreciation expense.

Research and Development. We invest heavily in research and development to create new products and product features that are intended to help us grow our user base, engage our users, monetize our users, and teach our users. This, in turn, can impact the growth in and lifetime value of, our paid subscribers, as well as increased advertising revenue from impressions from our free users. Expenses

are primarily made up of costs incurred for the development of new and improved products and features in our applications during the preliminary product development stage. Such expenses include employee-related compensation, including stock-based compensation, of engineers, designers, and product managers, in addition to materials, travel and direct costs associated with the design, required testing of our platform and depreciation of certain property and equipment. We expect engineers, designers, and product managers to represent a significant portion of our employees for the foreseeable future. We typically capitalize a portion of research and development costs once the product has reached application development phase, mostly consisting of wages, each period into capitalized software when the work is specific to launching a new product, or making major upgrades to our existing products or platforms. We regularly test product improvements with our users. Many of these tests start by making small changes in the product that affect small numbers of users. As the tests evolve, they can require increasing investment and can impact more users. This process of constant testing is how we implement many of our new products and improvements to our platform and, in total, require large investments and involve substantial time and risks to develop and launch. Some of these products and product improvements may not be well received or may take a long time for users to adopt. As a result, the impact resulting from our research and development investments may be difficult to forecast.

Sales and Marketing. Sales and marketing expenses are expensed as incurred and consists primarily of new user acquisition, brand marketing, digital and social media content, and employee-related compensation, including stock-based compensation, for personnel engaged in sales and marketing functions, amortization of non-revenue generating capitalized software used to promote Duolingo and depreciation of certain property and equipment.

General and Administrative. General and administrative expenses primarily consist of employee-related compensation, including stock-based compensation, for management and administrative functions, including our finance and accounting, legal, and people teams. General and administrative expenses also include certain professional services fees, general corporate and director and officer insurance, our facilities costs, public company costs to comply with the rules and regulations of the Securities and Exchange Commission (“SEC”) and the Listing Rules of the Nasdaq Global Select Market, and other general overhead costs that support our operations.

Interest Income

Interest income consists of income earned on our cash and money market funds included in cash and cash equivalents and income earned and net accretion on our marketable securities.

Other (expense) income, net

Other (expense) income, net consists primarily of foreign currency exchange gains and losses.

Income taxes

Income taxes represent the tax impact associated with our operations under the tax laws of the jurisdictions in which we operate. In addition to the U.S., we also operate in foreign jurisdictions that have different statutory rates. Our effective tax rates will vary depending on the relative proportion of foreign to domestic income, changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws.

Results of Operations

Comparison of the three and nine months ended September 30, 2025 and 2024

The following table sets forth our Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income data, including year-over-year change, for the periods indicated:

<i>(In thousands)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Revenues	\$ 271,713	\$ 192,594	41%	\$ 754,721	\$ 538,474	40%
Cost of revenues (1) (2)	74,802	52,180	43	211,133	144,720	46
Gross profit	196,911	140,414	40	543,588	393,754	38
Operating expenses:						
Research and development (1) (2)	82,707	62,878	32	226,767	168,903	34
Sales and marketing (1) (2)	35,081	25,574	37	91,306	65,679	39
General and administrative (1) (2)	43,964	38,388	15	133,399	110,459	21
Total operating expenses	161,752	126,840	28	451,472	345,041	31
Income from operations	35,159	13,574	>100	92,116	48,713	89
Other (expense) income, net	(503)	569	nm	2,158	(759)	nm
Income before interest income and income taxes	34,656	14,143	>100	94,274	47,954	97
Interest income	11,793	11,246	5	33,635	32,000	5
Income before income taxes	46,449	25,389	83	127,909	79,954	60
(Benefit from) provision for income taxes	(245,746)	2,029	nm	(244,202)	5,287	nm
Net income and comprehensive income	\$ 292,195	\$ 23,360	>100	\$ 372,111	\$ 74,667	>100

(1) Includes stock-based compensation expenses as follows:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenues	\$ 28	\$ 20	\$ 72	\$ 54
Research and development	22,821	16,230	61,115	43,331
Sales and marketing	1,633	1,305	4,657	3,557
General and administrative	11,083	11,404	35,331	33,748
Total	\$ 35,565	\$ 28,959	\$ 101,175	\$ 80,690

(2) Includes amortization of capitalized software and depreciation of property and equipment as follows:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Cost of revenues (a)	\$ 2,131	\$ 1,397	\$ 6,299	\$ 3,189
Research and development	826	648	2,451	1,588
Sales and marketing (a)	242	218	713	646
General and administrative	354	613	1,120	1,770
Total	\$ 3,553	\$ 2,876	\$ 10,583	\$ 7,193

(a) Amortization of capitalized software is recorded to Cost of revenue and Sales and marketing for revenue and non-revenue generating capitalized software, respectively.

The following table sets forth the components of our Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income for each of the periods presented as a percentage of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues	100 %	100 %	100 %	100 %
Cost of revenues	28	27	28	27
Gross profit	72	73	72	73
Operating expenses:				
Research and development	30	33	30	31
Sales and marketing	13	13	12	12
General and administrative	16	20	18	21
Total operating expenses	60	66	60	64
Income from operations	13	7	12	9
Other (expense) income, net	—	—	—	—
Income before interest income and income taxes	13	7	12	9
Interest income	4	6	4	6
Income before income taxes	17	13	17	15
(Benefit from) provision for income taxes	(90)	1	(32)	1
Net income and comprehensive income	108 %	12 %	49 %	14 %

Revenues

Revenues increased by \$79.1 million, or 41%, to \$271.7 million during the three months ended September 30, 2025, from revenues of \$192.6 million during the three months ended September 30, 2024. Revenues increased \$216.2 million, or 40%, to \$754.7 million during the nine months ended September 30, 2025, from revenues of \$538.5 million during the nine months ended September 30, 2024. The main drivers of the increases were:

- Subscription revenue increased by \$71.9 million, or 46%, to \$229.5 million during the three months ended September 30, 2025 and \$197.9 million, or 46%, to \$631.2 million during the nine months ended September 30, 2025, primarily due to an increase in the average number of paid subscribers during each period;
- Other revenue increased by \$7.2 million, or 21%, to \$42.2 million during the three months ended September 30, 2025 and \$18.3 million, or 17%, to \$123.6 million during the nine months ended

September 30, 2025, primarily due to increased advertising revenue, resulting from an increase in DAUs, which resulted in increased advertisements served.

The following table provides the changes in revenues by product type:

(in thousands)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2025	2024	Change	% Change	2025	2024	Change	% Change
Subscription	\$ 229,491	\$ 157,617	\$ 71,874	46%	\$ 631,156	\$ 433,214	\$ 197,942	46
Other (1)	42,222	34,977	7,245	21	123,565	105,260	18,305	17
Total revenues	\$ 271,713	\$ 192,594	\$ 79,119	41%	\$ 754,721	\$ 538,474	\$ 216,247	40

(1) Other revenue is comprised mainly of Advertising, Duolingo English Test, and In-App Purchases.

Cost of Revenues and Gross Margin. Total gross margin decreased to 72.5% from 72.9% during the three months ended September 30, 2025 and 2024, respectively, primarily due to decreases in subscription and advertising gross margins related to an increase in generative AI costs associated with expansion of our Duolingo Max subscription tier and increased hosting costs. Total gross margin decreased to 72.0% from 73.1% during the nine months ended September 30, 2025 and 2024, respectively, primarily due to a decrease in subscription gross margins related to an increase in generative AI costs associated with expansion of our Duolingo Max subscription tier.

The following table provides the change in cost of revenues, along with related gross margins:

(In thousands, except gross margin)	Three Months Ended September 30,				Nine Months Ended September 30,				Change			
	2025		2024		2025		2024					
	Costs	Gross Margin	Costs	Gross Margin	Costs	Gross Margin	Costs	Gross Margin	Costs	Gross Margin		
Total cost of revenues	\$ 74,802	72.5 %	\$ 52,180	72.9 %	\$ 22,622	(0.4)%	\$ 211,133	72.0 %	\$ 144,720	73.1 %	\$ 66,413	(1.1)%

Operating Expenses

Research and Development. Research and development expense increased by \$19.8 million, or 32%, to \$82.7 million during the three months ended September 30, 2025 from \$62.9 million during the three months ended September 30, 2024. The increase was mainly due to:

- Increased net personnel costs of \$16.6 million, driven primarily by the growth in headcount. Total gross personnel costs increased by \$16.8 million, of which \$9.6 million of the increase was related to stock-based compensation expenses related to equity awards in addition to acquisition related costs of \$2.6 million. This increase was reduced by \$0.3 million of wages recorded as capitalized software as compared to the same period in the prior year;
- Increased web services and technology costs of \$2.4 million; and
- Increased contractor, travel, and other costs of \$0.8 million.

Research and development expense increased by \$57.9 million, or 34%, to \$226.8 million during the nine months ended September 30, 2025 from \$168.9 million during the nine months ended September 30, 2024. The increase was mainly due to:

- Increased net personnel costs of \$48.3 million, driven primarily by the growth in headcount. Total gross personnel costs increased by \$46.7 million, including increased stock-based compensation

expenses related to equity awards of \$20.1 million in addition to acquisition related costs of \$2.6 million. Additionally, there was an increase of \$1.6 million due to a reduction in wages recorded as capitalized software as compared to the same period in the prior year;

- Increased web services and technology costs of \$6.6 million; and
- Increased contractor, travel and other costs of \$3.0 million.

Research and development continues to be our largest operating expense as we test and experiment with new products and product features and improve existing ones to drive engagement and efficacy. Increased engagement and efficacy, we believe, help drive organic growth in MAUs and DAUs, growth in, and better retention of, paid subscribers, as well as increased advertising opportunities with free users.

Sales and Marketing. Sales and marketing expense increased by \$9.5 million, or 37%, to \$35.1 million during the three months ended September 30, 2025 from \$25.6 million during the three months ended September 30, 2024

This increase was mainly due to:

- Increased direct marketing and other expenses of \$8.1 million; and
- Increased personnel costs of \$1.4 million driven primarily by the growth in headcount, including increased stock-based compensation expense of \$0.4 million.

Sales and marketing expense increased by \$25.6 million, or 39%, to \$91.3 million during the nine months ended September 30, 2025 from \$65.7 million during the nine months ended September 30, 2024.

This increase was mainly due to:

- Increased direct marketing and other expenses of \$20.3 million; and
- Increased personnel costs of \$5.3 million driven primarily by the growth in headcount, including increased stock-based compensation expense of \$1.3 million.

General and Administrative. General and administrative expense increased by \$5.6 million, or 15%, to \$44.0 million during the three months ended September 30, 2025 from \$38.4 million during the three months ended September 30, 2024. This increase was mainly due to:

- Increased personnel costs of \$2.4 million, stock-based compensation expenses related to equity awards remained flat for the period;
- Increased web services and technology costs of \$1.4 million;
- Increased travel, meals and professional fees of \$1.3 million; and
- Increased facilities expense of \$1.1 million.

The above increases were partially offset by decreases in insurance and other costs of \$0.6 million.

General and administrative expense increased by \$22.9 million, or 21%, to \$133.4 million during the nine months ended September 30, 2025 from \$110.5 million during the nine months ended September 30, 2024. This increase was mainly due to:

- Increased personnel costs of \$13.3 million, including an increase of \$6.5 million in stock-based compensation expenses related to equity awards;
- Increased web services and technology costs of \$4.0 million;

- Increased travel and meals expenses of \$3.0 million;
- Increased office expenses of \$1.6 million; and
- Increased acquisition related costs of \$1.0 million.

Interest Income

Interest income increased by \$0.5 million, or 5%, to \$11.8 million during the three months ended September 30, 2025, from \$11.2 million during the three months ended September 30, 2024. Interest income increased by \$1.6 million, or 5%, to \$33.6 million during the nine months ended September 30, 2025, from \$32.0 million during the nine months ended September 30, 2024. Both period increases were due to higher average interest-bearing balances partially offset by slightly lower interest rates.

Other (expense) income, net

Other (expense) income, net increased by \$1.1 million, during the three months ended September 30, 2025, and \$2.9 million during the nine months ended September 30, 2025, compared to the same respective prior year periods, mainly from the impact from changes in foreign currency rates.

Income taxes

The income tax benefit was \$245.7 million and \$244.2 million during the three and nine months ended September 30, 2025, respectively, compared to a provision of \$2.0 million and \$5.3 million during the three and nine months ended September 30, 2024, respectively. The income tax benefit for the three and nine months ended September 30, 2025, was primarily related to the release of our U.S. valuation allowance on certain deferred tax assets and other discrete tax items. As of September 30, 2025, based on all available positive and negative evidence, having demonstrated sustained profitability which is objective and verifiable, and taking into account anticipated future earnings, we concluded that it is more likely than not that our U.S. federal and state deferred tax assets will be realizable, resulting in the release of our valuation allowance. We will continue to monitor the need for a valuation allowance against our deferred tax assets on a quarterly basis (see Note 9, Income Taxes to our financial statements included in Item 1 of Part 1 of this Quarterly Report on Form 10-Q for further details).

The quarter's tax benefit also reflects the impact of the "One Big Beautiful Bill Act" tax legislation, which modified the treatment of domestic research and development expenditures, and now allows for the immediate expensing of domestic research and development expenses.

Liquidity and Capital Resources

We finance our operations primarily through revenues and the net proceeds we have received from the issuance of equity.

As of September 30, 2025, we had \$1,011.5 million in cash and cash equivalents and \$109.9 million of short-term investments. Our cash and cash equivalents primarily consist of bank deposits and money market funds. Our short-term investments consist mainly of corporate debt securities, certificates of deposit, and commercial paper.

We believe that our existing cash and cash equivalents, short-term investments and cash flow from operations will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including our subscription growth rate and renewal activity, the timing of cash received from our payment processing platforms, the expansion and efficacy of our sales and marketing activities, the research and development investment related to the introduction of new products and the enhancements to existing products, and

the current uncertainty in the global markets impacting, for example, consumer spending, inflation and foreign currency exchange rates. If we cannot meet our future capital requirements, we may be required to seek additional liquidity. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business and financial condition and results of operations.

During the nine months ended September 30, 2025, we executed an amendment to our Pittsburgh headquarters lease, increasing our leased space and extending the term through 2036. As a result, we recognized an additional operating lease right-of-use asset and lease liability totaling approximately \$39.0 million. The amendment also provides a tenant improvement allowance of \$6.8 million, which will reduce future cash lease payments.

A substantial source of our cash from operations comes from deferred revenue, which is included in the liabilities section of our Unaudited Condensed Consolidated Balance Sheet. Deferred revenues consists of the unearned portion of customer billings, which is recognized as revenue in accordance with our revenue recognition policy. As of September 30, 2025, we had deferred revenues of \$441.7 million, which is recorded as a current liability and expected to be recognized as revenue in the next 12 months, provided all other revenue recognition criteria have been met.

The following table summarizes our cash flows for the periods presented:

<i>(In thousands)</i>	Nine Months Ended September 30,	
	2025	2024
Net cash provided by operating activities	\$ 280,545	\$ 202,169
Net cash used for investing activities	(64,496)	(106,965)
Net cash provided by financing activities	9,702	11,595
Net increase in cash, cash equivalents and restricted cash	<u>\$ 225,751</u>	<u>\$ 106,799</u>

Operating Activities

Cash flows from operating activities can fluctuate significantly from period to period due to timing of payments and cash collections. Our largest source of operating cash is cash collection from sales of subscriptions to our users. Our primary uses of cash from operating activities are for personnel expenses, marketing expenses, hosting expenses, and overhead expenses.

Cash provided by operating activities increased by \$78.4 million, or 39%, to \$280.5 million for the nine months ended September 30, 2025 from \$202.2 million for the nine months ended September 30, 2024. This increase was primarily driven by higher net income during the current period, excluding non-cash items. Additionally, growth in deferred revenue contributed to the increase in cash provided by operating activities.

Investing Activities

Cash used for investing activities decreased by \$42.5 million to \$64.5 million for the nine months ended September 30, 2025, from \$107.0 million for the nine months ended September 30, 2024. This decrease was primarily due to a \$64.6 million year-over-year decrease in net investment activity, and 2025 net purchases of \$17.0 million as compared to 2024 net purchases of \$81.7 million. This decrease was partially offset by an increase of \$26.5 million related to cash paid for acquisitions and \$4.8 million of lower capitalized software and property and equipment purchases.

Financing Activities

Cash provided by financing decreased by \$2.0 million to \$9.7 million for the nine months ended September 30, 2025, from \$11.6 million for the nine months ended September 30, 2024. Cash provided by financing activities in both periods is due to proceeds from exercises of stock options.

Critical Accounting Estimates

Our Unaudited Condensed Consolidated Financial Statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of Unaudited Condensed Consolidated Financial Statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected.

There have been no material changes to our critical accounting policies and estimates as compared to those described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set forth in our Annual Report on Form 10-K.

Recent Accounting Pronouncements

See Note 1, “Description of the Business and Basis of Presentation,” and Note 2, “Summary of Significant Accounting Policies,” in the notes to our Unaudited Condensed Consolidated Financial Statements included in Part I, Item I of this Quarterly Report on Form 10-Q for a discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

As of September 30, 2025, we had \$900.2 million of cash equivalents invested in money market funds and \$208.6 million of investments mainly in corporate debt securities, U.S. Treasury securities, certificates of deposit, asset-backed securities and commercial paper. Our cash and cash equivalents are held for working capital purposes in addition to future investments in our product. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to a fluctuation in interest rates, which may affect our interest income and the fair market value of our investments. As of September 30, 2025, a hypothetical 10% relative change in interest rates would not have a material impact on our Unaudited Condensed Consolidated Financial Statements.

Foreign Currency Exchange Risk

Our reporting currency and the functional currency of our wholly owned foreign subsidiaries is the U.S. dollar. Certain of our payment providers translate our payments from local currency into USD at time of settlement, which means that during periods of a strengthening U.S. dollar, our international receipts could be reduced. Our operating expenses are denominated in the currencies of the countries in which our operations are located, which are primarily in the U.S., China and Germany. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. In addition, as foreign currency exchange rates fluctuate, the translation of our international receipts into U.S. dollars affects the period-over-period comparability of our operating results and can result in foreign currency exchange gains and losses. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative financial instruments, although we may choose to do so

in the future. A hypothetical 10% increase or decrease in the relative value of the U.S. dollar to other currencies would not have a material effect on our operating results.

Inflation Risk

Inflationary factors such as increases in costs may adversely affect our results of operations. We do not believe that inflation has had a material effect on our business, financial condition or results of operations to date. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition or results of operations.

Item 4. Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their desired objectives. Management does not expect, however, that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the three months ended September 30, 2025 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II Other Information

Item 1. Legal Proceedings

From time to time we may be involved in claims and proceedings arising in the course of our business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain. We are not currently party to any material legal proceedings.

Item 1A. Risk Factors

The Company's risk factors are described in Part I, Item 1A, "Risk Factors" of the Annual Report on Form 10-K. These factors could materially adversely affect our business, financial condition, and results of operations, and could cause our actual results to differ materially from our historical results or the results contemplated by any forward-looking statements contained in this Quarterly Report on Form 10-Q. There have been no material changes from the risk factors previously disclosed under the heading "Risk Factors" in the Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) Trading Plans

On September 12, 2025, each of Dr. Severin Hacker, Chief Technology Officer and member of the Company's Board of Directors, the SBH Trust dated March 10, 2020 ("SBH Trust") and the Severin Hacker Foundation, entered into a joint 10b5-1 sales plan (the "Hacker 10b5-1 Sales Plan"). The Hacker 10b5-1 Sales Plan, which is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act, will commence trading once Dr. Hacker's 10b5-1 sales plan dated September 11, 2024 ends. Under the Hacker 10b5-1 Sales Plan, a maximum aggregate of up to 515,000 shares of the Company's Class A common stock may be sold, consisting of (i) the net number of shares of Class A common stock issuable upon the exercise of 50,000 vested stock options held by Dr. Severin Hacker that remain unsold pursuant to Mr. Hacker's 10b5-1 sales plan dated September 11, 2024 (which net amount is not currently determinable), (ii) up to 465,000 shares held by SBH Trust, and (iii) up to 50,000 shares held by the Severin Hacker Foundation). The Hacker 10b5-1 Sales Plan will remain in effect until the earlier of (1) December 31, 2027, (2) the date on which all trades set forth in the Hacker 10b5-1 Sales Plan have been executed, or (3) such time as the Hacker 10b5-1 Sales Plan is otherwise terminated or expires according to its terms.

On September 15, 2025, Natalie Glance, Chief Engineering Officer, entered into a 10b5-1 sales plan (the "Glance 10b5-1 Sales Plan") intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act and providing for (i) exercise of vested stock options and the associated sale of up to 14,759 shares of the Company's Class A common stock, (ii) the sale of 3,285 shares of Class A common stock, and (iii) the net number of shares of Class A common stock underlying 16,723 unvested restricted

stock units after giving effect to the number of shares to be sold outside of the Glance 10b5-1 Plan to satisfy tax withholding obligations (which net amount is not currently determinable). The Glance 10b5-1 Sales Plan will remain in effect until the earlier of (1) December 31, 2026, (2) the date on which all trades set forth in the Glance 10b5-1 Sales Plan have been executed, or (3) such time as the Glance 10b5-1 Sales Plan is otherwise terminated according to its terms.

No other “officer” (as defined in Rule 16a-1(f) under the Exchange Act) or director of the Company adopted, modified or terminated “Rule 10b5-1 trading arrangements” and/or “non-Rule 10b5-1 trading arrangements” (each as defined in Item 408 of Regulation S-K) during the three months ended September 30, 2025.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	File No.	Date	
3.1	Amended and Restated Certificate of Incorporation, as currently in effect	8-K	001-40653	7/30/2021	
3.2	Bylaws, as currently in effect	8-K	001-40653	12/08/2023	
31.1	Certification of Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a)				X
31.2	Certification of Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a)				X
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350				X
101.INS	Inline XBRL Instance Document - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

*The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is not deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DUOLINGO, INC.

Date: November 5, 2025

By: /s/ Luis von Ahn
Luis von Ahn
Chief Executive Officer
(Principal Executive Officer)

Date: November 5, 2025

By: /s/ Matthew Skaruppa
Matthew Skaruppa
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Luis von Ahn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Duolingo, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By:

Date: November 5, 2025

/s/ Luis von Ahn

Luis von Ahn

**President and Chief Executive Officer
(Principal Executive Officer)**

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Skaruppa, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Duolingo, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By:

Date: November 5, 2025

/s/ Matthew Skaruppa

Matthew Skaruppa

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Duolingo, Inc. (the “Company”) for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Luis von Ahn, President and Chief Executive Officer of the Company, and Matthew Skaruppa, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Luis von Ahn

Luis von Ahn

President and Chief Executive Officer

(Principal Executive Officer)

Date: November 5, 2025

/s/ Matthew Skaruppa

Matthew Skaruppa

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)