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 March 31, 2023

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: 001-39441

Kubient

KUBIENT, INC.
(Exact name of registrant as specified in its charter)

Delaware	82-1808844
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

500 7th Avenue, 8th Floor
New York, New York 10018
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (800) 409-9456

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.00001 per share	KBNT	The Nasdaq Stock Market LLC
Common Stock Purchase Warrants	KBNTW	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 Exchange Act). Yes ☐ No ☒

As of May 19, 2023, the registrant had 14,727,036 shares of common stock outstanding.

KUBIENT, INC.

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED March 31, 2023

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Item 1. Financial Statements

Kubient, Inc.

Condensed Consolidated Balance Sheets

	March 31, 2023 (unaudited)	December 31, 2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 11,827,956	$ 14,739,484
Accounts receivable, net	98,132	135,658
Prepaid expenses and other current assets	313,606	346,935
Total Current Assets	12,239,694	15,222,077
Deferred financing costs	10,000	10,000
Total Assets	$ 12,249,694	$ 15,232,077
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable - suppliers	$ 386,497	$ 673,781
Accounts payable - trade	776,545	816,190
Accrued expenses and other current liabilities	557,964	830,365
Deferred revenue	567	28,403
Total Current Liabilities	1,721,573	2,348,739
Notes payable	78,900	78,900
Total Liabilities	1,800,473	2,427,639
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.00001 par value; 5,000,000 shares authorized; No shares issued and outstanding as of March 31, 2023 and December 31, 2022	—	—
Common stock, $0.00001 par value; 95,000,000 shares authorized; 14,515,940 and 14,456,035 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	145	145
Additional paid-in capital	53,115,414	53,004,967
Accumulated deficit	(42,666,338)	(40,200,674)
Total Stockholders' Equity	10,449,221	12,804,438
Total Liabilities and Stockholders' Equity	$ 12,249,694	$ 15,232,077

The accompanying notes are an integral part of these condensed consolidated financial statements.

Kubient, Inc.

Condensed Consolidated Statements of Operations

(unaudited)

	For the Three Months Ended March 31, 2023	For the Three Months Ended March 31, 2022
Net Revenues	$ 11,748	$ 1,245,304
Costs and Expenses:		
Sales and marketing	735,033	1,333,010
Technology	519,194	1,155,699
General and administrative	1,243,384	2,182,549
Loss accrual on customer contract	—	789,605
Total Costs and Expenses	2,497,611	5,460,863
Loss From Operations	(2,485,863)	(4,215,559)
Other (Expense) Income:		
Interest expense	(2,446)	(3,872)
Interest income	4,445	2,291
Change in fair value of contingent consideration	—	589,622
Other income	18,200	26
Total Other Income	20,199	588,067
Net Loss	$ (2,465,664)	$ (3,627,492)
Net Loss Per Share - Basic and Diluted	$ (0.17)	$ (0.25)
Weighted Average Common Shares Outstanding - Basic and Diluted	14,440,464	14,256,159

The accompanying notes are an integral part of these condensed consolidated financial statements.

Kubient, Inc.

Condensed Consolidated Statements of Changes in Stockholders' Equity

(unaudited)

	For the Three Months Ended March 31, 2023				
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance - January 1, 2023	14,456,035	$ 145	$ 53,004,967	$ (40,200,674)	$ 12,804,438
Stock-based compensation:					
Common stock	59,905	—	108,206	—	108,206
Options	—	—	2,241	—	2,241
Net loss	—	—	—	(2,465,664)	(2,465,664)
Balance - March 31, 2023	14,515,940	$ 145	$ 53,115,414	$ (42,666,338)	$ 10,449,221

	For the Three Months Ended March 31, 2022				
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance - January 1, 2022	14,253,948	$ 143	$ 52,030,907	$ (26,580,790)	$ 25,450,260
Surrender and cancellation of common stock	(3,397)	—	(18,683)	—	(18,683)
Stock-based compensation:					
Common stock	53,192	—	430,361	—	430,361
Options	—	—	2,295	—	2,295
Net loss	—	—	—	(3,627,492)	(3,627,492)
Balance - March 31, 2022	14,303,743	$ 143	$ 52,444,880	$ (30,208,282)	$ 22,236,741

The accompanying notes are an integral part of these condensed consolidated financial statements.

Kubient, Inc.

Condensed Consolidated Statements of Cash Flows

(unaudited)

	For the Three Months Ended March 31, 2023	2022
Cash Flows From Operating Activities:		
Net loss	$ (2,465,664)	$ (3,627,492)
Adjustments to reconcile net loss to net cash used in operating activities:		
Provision for credit losses	9,471	—
Depreciation and amortization	—	162,221
Change in fair value of contingent consideration	—	(589,622)
Stock-based compensation:		
Common stock	108,206	429,811
Options	2,241	2,295
Changes in operating assets and liabilities:		
Accounts receivable	28,055	(60,930)
Prepaid expenses and other current assets	33,329	590,661
Accounts payable - suppliers	(287,284)	630,026
Accounts payable - trade	(39,645)	391,034
Accrued expenses and other current liabilities	(190,221)	(1,532,150)
Deferred revenue	(27,836)	(369,195)
Net Cash Used In Operating Activities	(2,829,348)	(3,973,341)
Cash Flows From Investing Activities:		
Purchase of property and equipment	—	(7,520)
Net Cash Used In Investing Activities	—	(7,520)
Cash Flows From Financing Activities:		
Repayment of PPP loan	—	(109,270)
Repayment of financed director and officer insurance premiums	(82,180)	(108,788)
Net Cash Used In Financing Activities	(82,180)	(218,058)
Net Decrease In Cash and Cash Equivalents	(2,911,528)	(4,198,919)
Cash and Cash Equivalents - Beginning of the Period	14,739,484	24,907,963
Cash and Cash Equivalents - End of the Period	$ 11,827,956	$ 20,709,044

The accompanying notes are an integral part of these condensed consolidated financial statements.

Kubient, Inc.

Condensed Consolidated Statements of Cash Flows (Continued)

(unaudited)

	For the Three Months Ended March 31,			
	2023		2022	
Supplemental Disclosures of Cash Flow Information:				
Cash paid during the period for:				
Interest	$	3,215	$	—
Non-cash investing and financing activities:				
Surrender and cancellation of common stock	$	—	$	(18,683)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Kubient, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 1 – BUSINESS ORGANIZATION, NATURE OF OPERATIONS, RISKS AND UNCERTAINTIES AND BASIS OF PRESENTATION

Organization and Operations

Kubient, Inc. ("Kubient", "we", "our" or the "Company"), a Delaware corporation, was incorporated in May 2017 to solve some of the most significant problems facing the global digital advertising industry.

The Company's experienced team of marketing and technology veterans has developed the Audience Marketplace, a modular, highly scalable, transparent, cloud-based software platform for real-time trading of digital, Programmatic Advertising. The Company's platform's open marketplace gives both advertisers (ad space buyers) and Publishers (ad space sellers) the ability to use machine learning in the most critical parts of any Programmatic Advertising inventory auction, while simultaneously and significantly reducing those advertisers and Publishers' exposure to fraud, specifically in the pre-bid environment.

The Company also provides unique capabilities with its proprietary pre-bid ad fraud detection and prevention, Kubient Artificial Intelligence ("KAI"), which has the ability to stop fraud in the critical 300 millisecond window before an advertiser spends their budget on fraudulent ad space. The technology is powered by deep learning algorithms, the latest advancement in machine learning, which allows the Company to ingest vast amounts of data, find complex patterns in the data and make accurate predictions. This provides advertisers a powerful tool capable of preventing the purchase of ad fraud.

The Company believes that its Audience Marketplace technology allows advertisers to reach entire audiences rather than buying single impressions from disparate sources. By becoming a one stop shop for advertisers and Publishers, providing them with the technology to deliver meaningful messages to their target audience, all in one place, on a single platform that is computationally efficient, transparent, and as safely fraud-free as possible, the Company believes that its Audience Marketplace platform (and the application of the platform's machine learning algorithms) leads to increased Publisher revenue, lower advertiser cost, reduced latency and increased economic transparency during the advertising auction process.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair statement of the unaudited condensed consolidated financial statements of the Company as of March 31, 2023 and for the three months ended March 31, 2023 and 2022. The results of operations for the three months ended March 31, 2023 are not necessarily indicative of the operating results for the full year ending December 31, 2023 or any other period. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related disclosures as of December 31, 2022 and 2021 and for the years then ended which are included the Annual Report on Form 10-K filed with the United States Securities and Exchange Commission (the "SEC") on March 30, 2023.

Kubient, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

There have been no material changes to the significant accounting policies included in the audited consolidated financial statements as of December 31, 2022 and 2021 and for the years then ended, which were included the Annual Report on Form 10-K filed with the SEC on March 30, 2023, except as disclosed in this note.

Liquidity

As of March 31, 2023, the Company had cash and cash equivalents of $11,827,956 and working capital of $10,518,121. During the quarter ended March 31, 2023, the Company incurred a net loss of $2,465,664 and used cash in operating activities of $2,829,348.

The Company believes its current cash on hand is sufficient to meet its operating and capital requirements for at least the next twelve months from the date these financial statements are issued. The Company's operating needs include the planned costs to operate its business, including amounts required to fund working capital and capital expenditures. The Company's future capital requirements and the adequacy of its available funds will depend on many factors, including the Company's ability to successfully commercialize its products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement the Company's product and service offerings.

Since inception, the Company’s operations have primarily been funded through proceeds received in equity and debt financings. The Company believes it has access to capital resources and continues to evaluate additional financing opportunities. There is no assurance that the Company will be able to obtain funds on commercially acceptable terms, if at all. There is also no assurance that the amount of funds the Company might raise will enable the Company to complete its development initiatives or attain profitable operations.

Cash and Cash Equivalents

The Company maintains cash and cash equivalents in bank accounts, which, at times, may exceed Federal Deposit Insurance Corporation (“FDIC”) insured limits. The Company has not experienced any losses in such accounts. As of March 31, 2023 and December 31, 2022, the Company had cash balances of $11,827,956 and $14,739,484, respectively, in excess of FDIC insured limits. The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

On March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, and the FDIC was appointed as receiver. Thus, on March 17, 2023, the Company moved the majority of its funds on deposit at SVB to other banks, with the intention to move the remainder of its funds on deposit at SVB once the Company has transitioned all accounting and payroll functions connected to its account at SVB to accounts at other banks, such as our depository account at JP Morgan Chase. While the Company does not anticipate any losses, liquidity issues, or capital resource constraints arising as a result of the winding down of its accounts at SVB, it cannot predict at this time to what extent it or its collaborators, employees, suppliers, and/or vendors could be negatively impacted by the closure of SVB and other macroeconomic and geopolitical events.

Accounts Receivable

On January 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2016-13, "Financial Instruments — Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments," using a modified retrospective approach. The standard amends several aspects of the measurement of credit losses related to certain financial instruments, including the replacement of the existing incurred credit loss model and other models with the current expected credit losses ("CECL") model. The cumulative effect of adoption did not result in an adjustment to the allowance for credit loss, and accordingly, the Company’s accumulated deficit as of January 1, 2023.

Kubient, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

Accounts receivable are recorded at the amount the Company is responsible to collect from the customer, less an estimate for expected credit losses. See Note 2 — Significant Accounting Policies — Revenue Recognition for additional details. In the event that the Company does not collect the gross billing amount from the customer, the Company generally is not contractually obligated to pay the associated supplier cost. The Company's allowance for credit losses on accounts receivable reflects management's estimate of credit losses over the remaining expected life of such assets, measured primarily using historical experience, as well as current conditions and forecasts that affect the collectability of the reported amount.

Revenue Recognition

The Company maintains a contract with each customer and supplier, which specifies the terms of the relationship. The Company provides a service to its customers (the buy-side ad networks who work for advertisers) by connecting advertisers and Publishers. For this service, the Company earns a percentage of the amount that is paid by the advertiser, who wants to run a digital advertising campaign, which, in some cases, is reduced by the amount paid to the Publisher, who wants to sell its ad space to the advertiser.

The transaction price is determined based on the consideration to which the Company expects to be entitled, including the impact of any implicit price concessions over the course of the contract. The Company's performance obligation is to facilitate the publication of advertisements. The performance obligation is satisfied at the point in time that the ad is placed. Subsequent to a bid being won, the associated fees are generally not subject to refund or adjustment. Historically, any refunds and adjustments have not been material. The revenue recognized is the amount the Company is responsible to collect from the customer related to the placement of an ad (the "Gross Billing"), less the amount the Company remits to the supplier for the ad space (the "Supplier Cost"), if any. The determination of whether the Company is the principal or agent, and hence whether to report revenue on a gross basis equal to the Gross Billing or on a net basis for the difference between the Gross Billing and Supplier Cost, requires judgment. The Company acts as an agent in arranging via its platform for the specified good (the ad space) to be purchased by the advertiser, as it does not control the goods or services being transferred to the end customer, it does not take responsibility for the quality or acceptability of the ad space, it does not bear inventory risk, nor does it have discretion in establishing price of the ad space. As a result, the Company recognizes revenue on a net basis for the difference between the Gross Billing and the Supplier Cost.

The Company invoices customers on a monthly basis for the amount of Gross Billings in the relevant period. Invoice payment terms, negotiated on a customer-by- customer basis, are typically between 45 to 90 days. However, for certain agency customers with sequential liability terms as specified by the Interactive Advertising Bureau, (i) payments are not due to the Company until such agency customers has received payment from its customers (ii) the Company is not required to make a payment to its supplier until payment is received from the Company's customer and (iii) the supplier is responsible to pursue collection directly with the advertiser. As a result, once the Company has met the requirements of each of the five steps under ASC 606, the Company's accounts receivable are recorded at the amount of Gross Billings which represent amounts it is responsible to collect and accounts payable, if applicable, are recorded at the amount payable to suppliers. In the event step 1 under ASC 606 is not met, the Company does not record either the accounts receivable or accounts payable. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

From time to time, the Company records loss accruals for estimated costs that exceed estimated revenue related to its contracts with customers. During the three months ended March 31, 2022, the Company recognized an estimated loss accrual on a customer contract of $789,605 related to media costs incurred associated with a contract with a customer, which was included in costs and expenses on the condensed consolidated statement of operations.

As of March 31, 2023 and December 31, 2022, the Company did not have any contract assets from contracts with customers. During the three months ended March 31, 2023, the Company did not recognize any revenue that was deferred as of December 31, 2022. As of March 31, 2023 and December 31, 2022, the Company had $567 and $531, respectively, of contract liabilities where performance obligations have not yet been satisfied. During the three months ended March 31, 2023 and 2022, there was no revenue recognized from performance obligations satisfied (or partially satisfied) in previous periods.

Kubient, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss by the weighted average number of vested common shares outstanding during the period. Diluted net loss per common share is computed by dividing net loss by the weighted average number of vested common and dilutive common-equivalent shares outstanding during each period. Dilutive common-equivalent shares consist of shares of options, warrants and convertible notes, if not anti-dilutive.

The following shares were excluded from the calculation of weighted average dilutive common shares because their inclusion would have been anti-dilutive:

	For the Three Months Ended March 31,	
	2023	2022
Warrants [1]	4,980,963	5,122,074
Restricted stock units	531,095	855,989
Restricted stock awards	52,087	307,491
Stock options	36,667	94,447
	5,600,812	6,380,001

[1] Includes shares underlying warrants that are exercisable into an aggregate of (i) 368,711 shares of common stock and (ii) five-year warrants to purchase 368,711 shares of common stock at an exercise price of $5.50 per share.

NOTE 3 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2023	December 31, 2022
Accrued bonuses	$ —	$ 215,761
Accrued payroll	89,375	—
Financed director and officer insurance premiums	84,240	168,480
Accrued supplier expenses	44,448	44,949
Accrued legal and professional fees	170,332	49,832
Accrued commissions	702	4,181
Credit card payable	51,650	226,679
Accrued interest	8,734	11,220
Accrued warrant exercise costs	83,519	83,519
Other	24,964	25,744
Total accrued expenses and other current liabilities	$ 557,964	$ 830,365

Kubient, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 4 – STOCKHOLDERS' EQUITY

Stock-Based Compensation

For the three months ended March 31, 2023 and 2022, the Company recognized stock-based compensation expense related to stock options, restricted stock awards and restricted stock units as follows:

	For the Three Months Ended March 31, 2023	For the Three Months Ended March 31, 2022
Sales and marketing	$ 23,008	$ 35,581
Technology	35,439	78,875
General and administrative	52,000	317,650
Total	$ 110,447	$ 432,106

As of March 31, 2023, there was approximately $1,152,375 of unrecognized stock-based compensation expense related to awards that were determined to be probable to vest, which will be recognized over approximately 2.7 years.

During the three months ended March 31, 2023, the Company issued 59,905 shares of common stock related to the previously granted restricted stock units.

Kubient, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

NOTE 5 – CONCENTRATIONS

Customer Concentrations

The following table sets forth information as to each customer that accounted for 10% or more of the Company's net revenues for the following periods:

Customer	For the Three Months Ended March 31, 2023	For the Three Months Ended March 31, 2022
Customer A	N/A	42.02 %
Customer B	N/A	43.25 %
Customer C	195.31 %	*
Customer D	191.34 %	*
Customer E	59.27 %	*
Customer F	46.23 %	N/A
Customer G	52.23 %	N/A
Customer H	12.59 %	*
Customer I	84.81 %	*
Customer J	270.46 %	*
Total	912.24 %	85.27 %

*Less than 10%

From time to time, certain customers generate negative net revenues that resulted from supplier costs that exceeded the gross billing. As a result, the Company's concentrations on net revenues may result in total percentages that exceed 100%.

The following table sets forth information as to each customer that accounted for 10% or more of the Company's gross accounts receivable as of:

Customer	March 31, 2023	December 31, 2022
Customer A	14.50 %	11.72 %
Customer B	24.59 %	10.25 %
Customer C	*	10.57 %
Customer D	11.67 %	*
Customer E	26.52 %	35.64 %
Total	77.27 %	68.18 %

* Less than 10%

A reduction in sales from or loss of these customers would have a material adverse effect on the Company's results of operations and financial condition.

Kubient, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

Supplier Concentrations

The following table sets forth information as to each supplier that accounted for 10% or more of the Company’s supplier costs for the following periods:

Supplier	For the Three Months Ended March 31, 2023	For the Three Months Ended March 31, 2022
Supplier A	*	18.77 %
Supplier B	*	23.84 %
Supplier C	N/A	17.56 %
Supplier D	*	14.40 %
Supplier E	17.85 %	N/A
Supplier F	10.95 %	N/A
Supplier G	18.58 %	*
Total	47.38 %	74.56 %

* Less than 10%

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

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or our future financial or operating performance and may include statements concerning, among other things, our business strategy (including anticipated trends and developments in, and management plans for, our business and the markets in which we operate), financial results, results of operations, revenues, operating expenses, and capital expenditures, sales and marketing initiatives and competition. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "suggests," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. These statements are not guarantees of future performance; they reflect our current views with respect to future events and are based on assumptions and are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from expectations or results projected or implied by forward-looking statements.

We discuss many of these risks in other filings we make from time to time with the Securities and Exchange Commission (the "SEC"). Also, these forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report on Form 10-Q, which are inherently subject to change and involve risks and uncertainties. Unless required by federal securities laws, we assume no obligation to update any of these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated, to reflect circumstances or events that occur after the statements are made. Given these uncertainties, investors should not place undue reliance on these forward-looking statements.

Investors should read this Quarterly Report on Form 10-Q and the documents that we reference in this report and have filed with the SEC, including our Annual Report on Form 10-K, filed with the SEC on March 30, 2023, with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. Unless the context requires otherwise, references to the "Company," "Kubient," "we," "us" and "our" refer to Kubient, Inc., a Delaware corporation and its wholly-owned subsidiary, Fidelity Media, LLC, a Delaware limited liability company. For explanations of certain terms used in this Quarterly Report on Form 10-Q, please read "Glossary" beginning on page A-1.

Overview

Kubient, Inc. ("Kubient," "we," "our," or the "Company"), a Delaware corporation, was incorporated in May 2017 to solve some of the most significant problems facing the global digital advertising industry.

The Company's experienced team of marketing and technology veterans has developed the Audience Marketplace, a modular, highly scalable, transparent, cloud-based software platform for real-time trading of digital, Programmatic Advertising. The Company's platform's open marketplace gives both advertisers (ad space buyers) and Publishers (ad space sellers) the ability to use machine learning in the most critical parts of any Programmatic Advertising inventory auction, while simultaneously and significantly reducing those advertisers and Publishers' exposure to fraud, specifically in the pre-bid environment.

The Company also provides unique capabilities with its proprietary pre-bid ad fraud detection & prevention, Kubient Artificial Intelligence ("KAI"), which has the ability to stop fraud in the critical 300 millisecond window before an advertiser spends their budget on fraudulent ad space. The technology is powered by deep learning algorithms, the latest advancement in machine learning, which allows the Company to ingest vast amounts of data, find complex patterns in the data and make accurate predictions. Most importantly, it's self-learning, getting smarter and more accurate over time. This provides advertisers a powerful tool capable of preventing the purchase of ad fraud.

The Company believes that its Audience Marketplace technology allows advertisers to reach entire audiences rather than buying single impressions from disparate sources. By becoming a one stop shop for advertisers and Publishers, providing them with the technology to deliver meaningful messages to their target audience, all in one place, on a single platform that is computationally efficient, transparent, and as safely fraud-free as possible, the Company believes that its Audience Marketplace platform (and the application of the platform's machine learning algorithms) leads to increased Publisher revenue, lower advertiser cost, reduced latency and increased economic transparency during the advertising auction process.

Recent Developments

Cost Reductions

In November 2021, the Company acquired certain assets and personnel of MediaCrossing in order to bolster its Managed Services offerings. Throughout 2022, Kubient experienced an increase in customer churn stemming from MediaCrossing's legacy business. As a result of these customer losses, the Company executed further cost-cutting measures, including a reduction in force, in order to further reduce costs, and has shifted more of its focus towards its inorganic growth strategy. The Company believes that these reductions will not affect its intention to otherwise continue its Programmatic Advertising operations, including the monetization of supply and demand customers connected to its Audience Marketplace, as well as through the use of the Company's KAI ad fraud prevention artificial intelligence.

Nasdaq Deficiency Notice

On January 12, 2023, the Company received a deficiency notice from the Listing Qualifications Staff (the "Staff") of The Nasdaq Stock Market LLC, indicating that, based upon the closing bid price of the Company's common stock for the prior 30 consecutive business days, the Company was not in compliance with the requirement to maintain a minimum bid price of $1.00 per share for continued listing on The Nasdaq Capital Market, as set forth in Nasdaq Listing Rule 5550(a)(2).

Pursuant to Nasdaq Marketplace Rule 5810(c)(3)(A), the Company was provided with a compliance period of 180 calendar days, or until July 11, 2023, to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of the Company's common stock must have met or exceeded $1.00 per share for a minimum of 10 consecutive business days prior to July 11, 2023.

Results of Operations

Three Months Ended March 31, 2023 Compared With Three Months Ended March 31, 2022

The following table presents the results of operations for the three months ended March 31, 2023 and 2022:

	For the Three Months Ended March 31,	
	2023	2022
Net Revenues	$ 11,748	$ 1,245,304
Costs and Expenses:		
Sales and marketing	735,033	1,333,010
Technology	519,194	1,155,699
General and administrative	1,243,384	2,182,549
Loss accrual on customer contract	—	789,605
Total Costs and Expenses	2,497,611	5,460,863
Loss From Operations	(2,485,863)	(4,215,559)
Other (Expense) Income:		
Interest expense	(2,446)	(3,872)
Interest income	4,445	2,291
Change in fair value of contingent consideration	—	589,622
Other income	18,200	26
Total Other Income	20,199	588,067
Net Loss	$ (2,465,664)	$ (3,627,492)

Net Revenues

For the three months ended March 31, 2023, net revenues decreased by $1,233,556, or 99%, to $11,748 from $1,245,304 for the three months ended March 31, 2022. The decrease was primarily attributable to the loss of certain customers that we had acquired in connection with our acquisition of MediaCrossing.

Sales and Marketing

For the three months ended March 31, 2023, sales and marketing expenses decreased by $597,977, or 45%, to $735,033 from $1,333,010 for the three months ended March 31, 2022. The decrease is primarily due to a decrease in sales team headcount costs of approximately $448,000, a decrease in consulting expense of approximately $59,000 for a consultant in the 2022 period that was not used in the 2023 period and a decrease in selling expense of $103,000 was primarily attributable to the aforementioned explanation for the decline in revenues.

Technology

For the three months ended March 31, 2023, technology expenses decreased by $636,505, or 55%, to $519,194 from $1,155,699 for the three months ended March 31, 2022. The decrease is primarily due to a decrease in technology team headcount costs of approximately $465,000, a decrease in hosting fees of approximately $131,000 and a decrease in software-technology subscription expense of approximately $40,000.

General and Administrative

For the three months ended March 31, 2023, general and administrative expenses decreased by $939,165, or 43%, to $1,243,384 from $2,185,549 for the three months ended March 31, 2022. The decrease is primarily due to a decrease in professional services costs of approximately $573,000 primarily related to one time legal costs incurred during 2022 period, a decrease in headcount costs of approximately $272,000, a decrease in insurance expense of approximately $36,000, and a decrease in office expenses of approximately $29,000.

Loss Accrual on Customer Contract

During the three months ended March 31, 2022, we recognized an estimated loss accrual on a customer contract of $789,605 related to media costs incurred associated with a contract with a customer. Subsequent to March 31, 2022 and through December 31, 2022, we recovered the entire estimated loss accrual.

Other Income

For the three months ended March 31, 2023, other income decreased by $567,868, or 97%, to $20,199 from other income of $588,067 for the three months ended March 31, 2022, primarily as a result of a one-time adjustment in the fair value of the earnout shares issuable to MediaCrossing, Inc. during the three months ended March 31, 2022.

Non-GAAP Measures

Adjusted EBITDA

The Company defines EBITDA as net income (loss) before interest, taxes and depreciation and amortization. The Company defines Adjusted EBITDA as EBITDA, further adjusted to eliminate the impact of certain non-recurring items and other items that we do not consider in our evaluation of our ongoing operating performance from period to period. These items will include stock-based compensation, restructuring and severance costs, transaction costs, acquisition costs, certain other non-recurring charges and gains that the Company does not believe reflects the underlying business performance.

For the three months ended March 31, 2023 and 2022, EBITDA and Adjusted EBITDA consisted of the following:

	For the Three Months Ended March 31,	
	2023	2022
Net Loss	$ (2,465,664)	$ (3,627,492)
Interest expense	(2,446)	3,872
Interest income	4,445	(2,291)
Depreciation and amortization	—	162,221
EBITDA	(2,463,665)	(3,463,690)
Adjustments:		
Stock-based compensation expense	$ 110,447	$ 432,656
Change in fair value of contingent consideration	—	(589,622)
Adjusted EBITDA	$ (2,353,218)	$ (3,620,656)
Adjusted Loss Per Share	$ (0.16)	$ (0.25)
Weighted Average Common Shares Outstanding - Basic and Diluted	14,440,464	14,256,159

EBITDA and Adjusted EBITDA is a financial measure that is not calculated in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Management believes that because Adjusted EBITDA excludes (a) certain non-cash expenses (such as depreciation, amortization and stock-based compensation) and (b) expenses that are not reflective of the Company's core operating results over time (such as stock-based compensation expense), this measure provides investors with additional useful information to measure the Company's financial performance, particularly with respect to changes in performance from period to period. The Company's management uses EBITDA and Adjusted EBITDA (a) as a measure of operating performance, (b) for planning and forecasting in future periods, and (c) in communications with the Company's board of directors concerning the Company's financial performance. The Company's presentation of EBITDA and Adjusted EBITDA are not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation and should not be used by investors as a substitute or alternative to net income or any measure of financial performance calculated and presented in accordance with U.S. GAAP. Instead, management believes EBITDA and Adjusted EBITDA should be used to supplement the Company's financial measures derived in accordance with U.S. GAAP to provide a more complete understanding of the trends affecting the business.

Although Adjusted EBITDA is frequently used by investors and securities analysts in their evaluations of companies, Adjusted EBITDA has limitations as an analytical tool, and investors should not consider it in isolation or as a substitute for, or more meaningful than, amounts determined in accordance with U.S. GAAP. Some of the limitations to using non-GAAP measures as an analytical tool are (a) they do not reflect the Company's interest income and expense, or the requirements necessary to service interest or principal payments on the Company's debt, (b) they do not reflect future requirements for capital expenditures or contractual commitments, and (c) although depreciation and amortization charges are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and non-GAAP measures do not reflect any cash requirements for such replacements.

Liquidity and Capital Resources

We measure our liquidity in a number of ways, including the following:

		March 31, 2023		December 31, 2022
Cash and cash equivalents	$	11,827,956	$	14,739,484
Working capital	$	10,518,121	$	12,873,338

Availability of Additional Funds

As a result of its public offerings and the related note conversions, the Company believes its current cash on hand is sufficient to meet its operating and capital requirements for at least the next twelve months from the date these financial statements are issued. Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. Our future capital requirements and the adequacy of our available funds will depend on many factors, including our ability to successfully commercialize our products and services, competing technological and market developments, and the need to enter into collaborations with other companies or acquire other companies or technologies to enhance or complement our product and service offerings.

Cash Flows

Three Months Ended March 31, 2023 Compared With Three Months Ended March 31, 2022

Our sources and uses of cash were as follows:

Cash Flows From Operating Activities

We experienced negative cash flows from operating activities for the three months ended March 31, 2023 and 2022 in the amounts of $2,829,348 and $3,973,341, respectively. The net cash used in operating activities for the three months ended March 31, 2023 was primarily a result of cash used to fund a net loss of $2,465,664, adjusted for net non-cash expenses of $119,918, partially offset by $483,602 of net cash used in changes in the levels of operating assets and liabilities. The net cash used in operating activities for the three months ended March 31, 2022 was primarily a result of cash used to fund a net loss of $3,627,492, adjusted for net non-cash expenses of $4,705, partially offset by $350,554 of net cash used in changes in the levels of operating assets and liabilities.

Cash Flows From Investing Activities

Net cash used in investing activities for the three months ended March 31, 2023 was $0. Net cash used in investing activities for the three months ended March 31, 2022 was $7,520, which was attributable to purchases of property and equipment.

Cash Flows From Financing Activities

Net cash used in financing activities for the three months ended March 31, 2023 was $82,180, which was attributable to repayments of financed director and officer insurance premiums. Net cash provided by financing activities for the three months ended March 31, 2022 was $218,058, which was attributable to repayments of our PPP loan of $109,270 as well as repayments of financed director and officer insurance premiums of $108,788.

Critical Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, or U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, each as of the date of the financial statements, and revenues and expenses during the periods presented. On an ongoing basis, management evaluates their estimates and assumptions, and the effects of any such revisions are reflected in the financial statements in the period in which they are determined to be necessary. Management bases their estimates on historical experience and on various other factors that they believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual outcomes could differ materially from those estimates in a manner that could have a material effect on our consolidated financial statements. While our significant accounting policies are more fully described in the notes to our consolidated financial statements appearing elsewhere in this prospectus, we believe that the following accounting policies and estimates are critical to the process of making significant judgments and estimates in the preparation of our financial statements and understanding and evaluating our reported financial results.

Revenue Recognition

The Company maintains a contract with each customer and supplier, which specifies the terms of the relationship. The Company provides a service to its customers (the buy-side ad networks who work for advertisers) by connecting advertisers and Publishers. For this service, the Company earns a percentage of the amount that is paid by the advertiser, who wants to run a digital advertising campaign, which, in some cases, is reduced by the amount paid to the Publisher, who wants to sell its ad space to the advertiser.

The transaction price is determined based on the consideration to which the Company expects to be entitled, including the impact of any implicit price concessions over the course of the contract. The Company's performance obligation is to facilitate the publication of advertisements. The performance obligation is satisfied at the point in time that the ad is placed. Subsequent to a bid being won, the associated fees are generally not subject to refund or adjustment. Historically, any refunds and adjustments have not been material. The revenue recognized is the amount the Company is responsible to collect from the customer related to the placement of an ad (the "Gross Billing"), less the amount the Company remits to the supplier for the ad space (the "Supplier Cost"), if any. The determination of whether the Company is the principal or agent, and hence whether to report revenue on a gross basis equal to the Gross Billing or on a net basis for the difference between the Gross Billing and Supplier Cost, requires judgment. The Company acts as an agent in arranging via its platform for the specified good (the ad space) to be purchased by the advertiser, as it does not control the goods or services being transferred to the end customer, it does not take responsibility for the quality or acceptability of the ad space, it does not bear inventory risk, nor does it have discretion in establishing price of the ad space. As a result, the Company recognizes revenue on a net basis for the difference between the Gross Billing and the Supplier Cost.

The Company invoices customers on a monthly basis for the amount of Gross Billings in the relevant period. Invoice payment terms, negotiated on a customer-by- customer basis, are typically between 45 to 90 days. However, for certain agency customers with sequential liability terms as specified by the Interactive Advertising Bureau, (i) payments are not due to the Company until such agency customers has received payment from its customers (ii) the Company is not required to make a payment to its supplier until payment is received from the Company's customer and (iii) the supplier is responsible to pursue collection directly with the advertiser. As a result, once the Company has met the requirements of each of the five steps under ASC 606, the Company's accounts receivable are recorded at the amount of Gross Billings which represent amounts it is responsible to collect and accounts payable, if applicable, are recorded at the amount payable to suppliers. In the event step 1 under ASC 606 is not met, the Company does not record either the accounts receivable or accounts payable. Accordingly, both accounts receivable and accounts payable appear large in relation to revenue reported on a net basis.

From time to time, the Company records loss accruals for estimated costs that exceed estimated revenue related to its contracts with customers. During the three months ended March 31, 2022, the Company recognized an estimated loss accrual on a customer contract of $789,605 related to media costs incurred associated with a contract with a customer, which was included in costs and expenses on the condensed consolidated statement of operations.

Business Combinations

Business combinations are accounted for using the acquisition method and, accordingly, the assets acquired (including identified intangible assets), the liabilities assumed and any contingent consideration are recorded at their acquisition date fair values. The Company's fair value measurement of the contingent consideration is based on significant inputs not observed in the market and thus represents a Level 3 measurement. Level 3 instruments are valued based on unobservable inputs that are supported by little or no market activity and reflect the Company's own assumptions in measuring fair value.

Stock-Based Compensation

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. The fair value of the award is measured on the grant date. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Upon the exercise of an award, the Company issues new shares of common stock out of its authorized shares. The Company accrues for any equity awards at fair value that have been contractually earned but not yet issued.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Not applicable to smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of March 31, 2023. Our disclosure controls and procedures are designed to provide reasonable assurance that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosures, and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Based on this evaluation, our CEO and CFO have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2023.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Management recognizes that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud or error, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be subject to various other legal proceedings and claims that are routine and incidental to our business. Although some of the legal proceedings set forth herein may result in adverse decisions or settlements, Management believes that the final disposition of such matters will not have a material adverse effect on our business, financial position, results of operations or cash flows.

In August 2022, we received subpoenas from both the SEC and the United States Attorney's Office for the Southern District of New York requesting certain information from us relating to revenue in connection with two of our customers. Kubient is fully cooperating with both of these agencies.

Item 1A. Risk Factors.

Not applicable to smaller reporting companies.

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

Unregistered Sales of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

Not applicable.

Item 5. Other Information.

There is no other information required to be disclosed under this item which was not previously disclosed.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Exhibit Number	
31.1	Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1 *	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (1)				X
101.ins	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 Schema Document				X
101.cal	Inline XBRL Taxonomy Calculation Linkbase Document				X
101.def	Inline XBRL Taxonomy Definition Linkbase Document				X
101.lab	Inline XBRL Taxonomy Label Linkbase Document				X
101.pre	Inline XBRL Taxonomy Presentation Linkbase Document				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

* This certification is being furnished solely to accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, and it is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934 and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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.

	KUBIENT, INC.
Dated: May 22, 2023	/s/ Paul Roberts Paul Roberts Chief Executive Officer (*principal executive officer*)
Dated: May 22, 2023	/s/ Joshua Weiss Joshua Weiss Chief Financial Officer (*principal financial and accounting officer*)

GLOSSARY

"Ad network" means an intermediary network or company that acts as a broker between advertisers who want to purchase ad placements and content Publishers who want to host the advertiser's ads. Examples of advertisers are consumer good companies, multimedia companies and automobile manufacturers. Publishers in the context are website operators or app developers.

"Audience Marketplace" means the modular, highly scalable, transparent, cloud-based software platform created by the Company for real-time trading of digital, Programmatic Advertising.

"Latency" means the lag time between a customer click on an internet link and the conversion of that customer to a sale. The term can also refer to the lag time between ad inventory's purchase and its display on Publisher's media.

"Programmatic Advertising" means the purchase of advertising space meant to target audiences using software and tools that help agencies and brands target, deliver, and analyze their digital advertising efforts., rather than the traditional method of purchasing time slots in mass media, such as television programming.

"Pre-bid" means the bid placed by an advertiser for placement of its ad, verified prior to such ad being run or displayed.

"Publisher" means a source of ad inventory, such as website owners, website operators or app developers. Publishers are generally either managed or owned and operated. An owned and operated Publisher receives 100% of the profit for impressions sold. This is opposed to a managed Publisher: a Publisher that does not own its inventory but has a financial relationship with those who do.

Exhibit 31.1

Certification of Principal Executive Officer
pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Paul Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kubient, 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 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)) 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) 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

   c) 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 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.

Date: May 22, 2023

/s/ Paul Roberts
Paul Roberts
Chief Executive Officer
(principal executive officer)

Exhibit 31.2

Certification of Principal Financial Officer
pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Joshua Weiss, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kubient, 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 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)) 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) 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

   c) 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 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.

Date: May 22, 2023

/s/ Joshua Weiss
Joshua Weiss
Chief Financial Officer
(principal financial and accounting officer)

Exhibit 32.1

Certifications of Principal Executive Officer and Principal Financial Officer
pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Paul Roberts, Chief Executive Officer (principal executive officer) of Kubient, Inc. (the "Company"), and Joshua Weiss, Chief Financial Officer (principal financial and accounting officer) of the Company, each hereby certifies that, to the best of his knowledge:

1) The Company's Annual Report on Form 10-Q for the quarter ended March 31, 2023, to which this certification is attached as Exhibit 32.1 (the "Report") fully complies with the requirements of Section 13(a) or 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: May 22, 2023

/s/ Paul Roberts
Paul Roberts
Chief Executive Officer
(principal executive officer)

/s/ Joshua Weiss
Joshua Weiss
Chief Financial Officer
(principal financial and accounting officer)

The foregoing certifications are being furnished pursuant to 18 U.S.C. Section 1350. They are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.