

ML CAPITAL GROUP, INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020

UNAUDITED

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STATEMENTS**

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ML Capital Group, Inc.
Condensed Consolidated Balance Sheet
(Unaudited)

	<u>31-Mar-21</u>	<u>31-Dec-20</u>
Assets		
Current assets		
Cash	\$ -	\$ -
Total Current Assets	\$ -	\$ -
Equipment, net	-	-
Total Assets	<u>\$ -</u>	<u>\$ -</u>
Accounts payable and accrued liabilities	\$ 31,250	\$ 25,000
Convertible notes	2,835,128	\$ 2,765,979
Total Liabilities	<u>\$ 2,866,378</u>	<u>\$ 2,790,979</u>
Commitments and contingencies		
Stockholders' Deficit		
Preferred stock, par value \$0.00001, 500,000,000 shares authorized, 31,500,000 shares issued and outstanding	\$ 315	\$ 315
Common stock par value \$0.00001, 15,000,000,000 shares authorized, 1,280,896 shares issued and outstanding	13	13
Additional paid in capital	10,410,048	10,410,048
Accumulated deficit	(13,276,754)	(13,201,355)
Total Stockholders' Deficit	<u>\$ (2,866,378)</u>	<u>\$ (2,790,979)</u>
Total Liabilities and Stockholders' Deficit	<u>\$ -</u>	<u>\$ -</u>

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

ML Capital Group, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended March 31,	
	2021	2020
REVENUES, net	\$ -	\$ -
Operating Expenses		
General & administrative	6,250	6,250
Total Operating Expenses	\$ 6,250	\$ 6,250
Loss From Operations	\$ 6,250	\$ 6,250
Other Expense		
Interest expense	69,149	53,337
Depreciation expense	-	1,656
Total Other Expense	\$ 69,149	\$ 54,993
Net Loss	\$ 75,399	\$ 61,243
Net Loss Per Share - Basic & Diluted	\$ 0.06	\$ 0.05
Weighted Average Common Shares		
Outstanding - Basic & Diluted	1,280,896	1,280,896

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

ML Capital Group, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

		Three months ended March 31,	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss		\$ 75,399	\$ 61,243
Adjustments to reconcile net loss to net cash used in operating activities:			
Interest expense		(69,149)	(53,337)
Depreciation expense		-	(1,656)
Change in operating assets and liabilities:			
Accounts payable and accrued liabilities		(6,250)	(6,250)
Cash flows used in operating activities		\$ -	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash flows used by investing activities		\$ -	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash flows provided by financing activities		\$ -	\$ -
NET DECREASE IN CASH		\$ -	\$ -
CASH, BEGINNING OF YEAR		-	-
CASH, END OF PERIOD		\$ -	\$ -
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid		\$ -	\$ -
Income taxes paid		\$ -	\$ -

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ML Capital Group, Inc.
Notes to Condensed Consolidated Financial
Statements
(Unaudited)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The summary of significant accounting policies presented below is designed to assist in understanding the Company's consolidated financial statements.

Such condensed consolidated financial statements and accompanying notes are the representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") in all material respects and have been consistently applied in preparing the accompanying condensed consolidated financial statements.

Overview of Business

ML Capital Group, Inc. (the "Company") was incorporated in the State of Nevada on September 22, 2009.

The Company's business consists of providing consulting services to both public and private companies, concentrating primarily on early stage companies, small businesses and emerging growth companies.

On December 30, 2021, the Company signed an agreement for a planned merger between ML Capital Group, Inc. a Nevada Corporation; ML CAP ACQ CORP, a Nevada Corporation and a wholly owned subsidiary of MLCG (Merger Sub); and RBEL Entertainment, Inc. ("RBEL") a Florida Corporation (the "Merger"). The accounting for the transaction will be treated as a triangular reverse merger on the "effective date". The Merger will be effective upon confirmation with the Secretary of State of the State of Nevada. Upon the Effective Date RBEL will receive 160,339,167 of common stock in the Company; all convertible debt will be exchanged for 5,046,003; legacy stock holders will receive 61,280,876 common stock; and the Company's Preferred Series B Stock will be converted into 84,615,640 common stock.

Going Concern

Since its inception, the Company has devoted substantially all of its efforts to business planning, research and development, recruiting management and technical staff, acquiring operating assets and raising capital. As of March 31, 2021, the Company had an accumulated deficit of \$13,201,355. The Company's continuation as a going concern is dependent on its ability to generate sufficient cash flows from operations to meet its obligations and/or obtaining additional financing from its members or other sources, as may be required.

The Company's activities will necessitate significant uses of working capital beyond March 31, 2021. Additionally, the Company's capital requirements will depend on many factors, including the success of the Company's sales and the status of competitive products. The Company plans to continue financing its operations with cash received from financing activities, revenue from operations and or affiliate funding.

While the Company strongly believes that its capital resources will be sufficient in the near term, there is no assurance that the Company's activities will generate sufficient revenues to sustain its operations without additional capital or, if additional capital is needed, that such funds if available, will be obtainable on terms satisfactory to the Company.

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

ML Capital Group, Inc.
Notes to Condensed Consolidated Financial
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(Unaudited)

The accompanying condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern; however, the above condition raises substantial doubt about the Company's ability to do so. The condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

Use of Estimates

In preparing these condensed consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Principles of Consolidation

Our condensed consolidated financial statements include the accounts of ML Capital Group, Inc, its 100% majority-owned subsidiary, ML CAP ACQ CORP. All significant intercompany transactions and balances have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and on deposit at banking institutions as well as all highly liquid short-term investments with original maturities of 90 days or less. The Company has closed all of its bank accounts in 2018 and has continued to operate without a bank account.

Revenue Recognition

We recognize revenue from contracts with customers in accordance with Financial Accounting Standards Board ("FASB") ASC Topic 606, "Revenue from Contracts with Customers" ("ASC 606"). Revenue is recognized at the point at which control of the underlying products are transferred to the customer. The Company has not generated revenues through March 31, 2021.

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

ML Capital Group, Inc.
Notes to Condensed Consolidated Financial
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Equipment

Equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization of equipment are computed principally using accelerated and straight-line methods using lives from 5 to 7 years for equipment, computer software and hardware. Equipment amortized using an accelerated method does not result in a material difference over the straight-line method. Renewals and betterments, which extend the life of an existing asset, are capitalized while normal repairs and maintenance costs are expensed as incurred.

Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of

In accordance with ASC 360, we evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, we compare the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. We currently believe there is no impairment of our long-lived assets. There can be no assurance, however, that market conditions will not change or demand for our products under development will continue. Either of these could result in future impairment of long-lived assets.

Stock-Based Compensation

We account for all share-based compensation in accordance ASC 718-20. Stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite vesting period.

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ML Capital Group, Inc.
Notes to Condensed Consolidated Financial
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740, Income Taxes ("ASC 740"), which clarifies the accounting and disclosure for uncertainty in tax positions, as defined, seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. We adopted the provisions of ASC 740 as of January 1, 2007, and have analyzed filing positions in each of the federal and state jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We have identified the U.S. federal and Nevada as our "major" tax jurisdictions. With limited exceptions, we remain subject to Internal Revenue Service ("IRS") examination of our income tax returns filed within the last three (3) years, and to Nevada Franchise Tax Board examination of our income tax returns filed within the last four (4) years. However, we have certain tax attribute carryforwards which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations closes with respect to the year in which such attributes are utilized.

We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. Our policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Fair Value Measurements

When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, we consider the principal or most advantageous market in which we would transact and consider assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. We use the following three levels of inputs in determining the fair value of our assets and liabilities, focusing on the most observable inputs when available:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

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ML Capital Group, Inc.
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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement.

(Income) Loss per Common Share

Basic (income) loss per common share excludes dilutive securities and is computed by dividing net (income) loss by the weighted average number of common shares outstanding during the period. Diluted earnings per common share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the entity. As of March 30, 2021, there were no outstanding dilutive securities. Net (income) loss per share is based upon the weighted average shares of common stock outstanding.

Recent Accounting Pronouncements

In February 2016, the FASB issued a new accounting standard on leasing. The new standard will require companies to record most leased assets and liabilities on the balance sheet, and also proposes a dual model for recognizing expense. This guidance was effective in our first quarter of 2019. We have evaluated the impact of adopting this guidance and the adoption of these accounting changes have not impacted our assets and liabilities nor our net income or equity, as we currently do not lease any assets.

In May 2017, the FASB issued a new accounting standard which provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in ASC Topic 718. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. This guidance was effective in our first quarter of 2019. The adoption of this guidance has not had a material effect on our consolidated financial statements.

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NOTE 2 - RELATED PARTY TRANSACTIONS

There were no related party transactions or balances to be recorded or disclosed during the three months ended and as of March 31, 2021 and 2020.

The Company entered into an agreement with its Chief Executive Officer to receive salary of \$25,000 each year for 2021 and 2020. On December 31, 2021, the \$50,000 in accrued salary was converted into 333,333 common stock.

Various shareholders in the Company paid expenses for the year ended December 31, 2021, which amounted to approximately \$66,000.

NOTE 3 - CONVERTIBLE NOTES

The Company has issued eight convertible notes. All eight are currently in default, however, the note holders converted or settled all of their debt as of December 10, 2021. The Company issued 5,046,003 common stock with the settlement of convertible notes.

NOTE 4 – STOCKHOLDERS’ DEFICIT

The Company is authorized to issue 15,000,000,000 shares of \$0.00001 par value common stock and 500,000,000 shares of \$0.00001 par value preferred stock.

Preferred Series B stock carry 1,200 votes for each share on preferred stock and are convertible into 1,200 shares of common stock for each share on preferred stock at the option of the holder.

NOTE 5 - SUBSEQUENT EVENTS

On September 23, 2021, holders of the Preferred Series B stock converted 50,000 shares into 60,000,000 of commonstock.

On December 10, 2021, the convertible note holders converted all of the outstanding debt into 5,046,003 common stock.

On December 30, 2021, the holder of 13,000,000 Series B shares converted all such shares into 13,557,640 shares of common stock, leaving the shareholder with -0- Series B shares.

On December 30, 2021, the holder of 18,450,000 Series B shares converted all such shares into 71,058,000 shares of common stock, leaving the shareholder with -0- Series B shares.

On December 31, 2021, the Company converted \$50,000 in accrued salary into 333,333 shares at a price of \$0.15 per share.

Various stockholders paid expenses on behalf of the Company in 2021 which were recorded in additional paid in capital for \$66,000.

ML Capital Group, Inc.
Notes to Condensed Consolidated Financial
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(Unaudited)

NOTE 5 - SUBSEQUENT EVENTS (CONTINUED)

On January 5, 2022, the Company filed the Articles of Merger with the Secretary of State of the State of Nevada, which allows for the Merger to become effective.

On January 19, 2022, the Company filed a Certificate of Amendment with the Secretary of State of the State of Nevada, which changed the name of the Company to Silverback United, Inc.

On January 25, 2022, the Company issued 160,339,167 shares of its common stock to the shareholders of RBEL as the merger consideration under the Merger in exchange for all issued and outstanding shares of RBEL. The issuance was exempt under Section 4(a)(2) of the Securities Act.