

SILVERBACK UNITED, INC.

Formerly ML CAPITAL GROUP, INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED AND AS OF JUNE 30, 2022 AND 2021

UNAUDITED

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

	<u>30-Jun-22</u>	<u>31-Dec-21</u>
Assets		
Current assets		
Cash	\$ 110,373	\$ 17,500
Deposit on investment	300,000	250,000
Investment	200,000	200,000
Total Current Assets	<u>\$ 610,373</u>	<u>\$ 467,500</u>
Equipment, net	-	-
Total Assets	<u>\$ 610,373</u>	<u>\$ 467,500</u>
Accounts payable and accrued liabilities	\$ 39,500	\$ -
Short term debt	96,875	145,000
Convertible debentures	175,907	322,500
Total Liabilities	<u>\$ 312,282</u>	<u>\$ 467,500</u>
Stockholders' Equity		
Preferred stock, par value \$0.00001, 500,000,000 shares authorized, 0 shares (2021 - 0) issued and outstanding	\$ -	\$ -
Common stock par value \$0.00001, 15,000,000,000 shares authorized, 313,301,039 (2021 - 151,275,872) shares issued and outstanding	3,133	1,513
Additional paid in capital	11,553,814	10,526,045
Accumulated deficit	(11,258,856)	(10,527,558)
Total Stockholders' Equity	<u>\$ 298,091</u>	<u>\$ -</u>
Total Liabilities and Stockholder's Equity	<u>\$ 610,373</u>	<u>\$ 467,500</u>
(1) The capital accounts of the Company have been retroactively restated to reflect the equivalent number of common shares based on the exchange ratio of the merger transaction.		

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

Silverback United, Inc.
Formerly ML Capital Group, Inc.
Condensed Consolidated Statement of Operations
(Unaudited)

	<u>For the six months ended June 30, 2022</u>	<u>For the six months ended June 30, 2021</u>
Revenues	-	-
Gross profit	<u>\$ -</u>	<u>\$ -</u>
Selling, general and administrative expenses	530,392	181,957
Operating expenses	<u>530,392</u>	<u>181,957</u>
Income tax	-	-
Interest Expense	907	
Net loss	<u>\$ 531,298</u>	<u>\$ 181,957</u>
Loss per share - basic / diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Weighted average number of common shares outstanding - basic / diluted	<u>307,168,437</u>	<u>151,275,872</u>
(1) The capital accounts of the Company have been retroactively restated to reflect the equivalent number of common shares based on the exchange ratio of the merger transaction in determining the basic and diluted weighted average shares.		

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

Silverback United, Inc.
Formerly ML Capital Group, Inc.
Condensed Consolidated Statement of Changes in Stockholders' Equity

(Unaudited)

	Preferred Stock		Common Stock		Additional Paid	Accumulated	Total
	Shares	\$ Amount	Shares	\$ Amount	in Capital	Deficit	Stockholders' Equity
Balance, December 31, 2021	-	\$ -	151,275,872	\$ 1,513	\$ 10,526,045	\$(10,527,558)	\$ -
Recapitalization - January 6, 2022	-	-	160,339,167	1,603	676,040	-	\$ 677,644
Stock Issuance Costs	-	-	1,000,000	10	199,990	(200,000)	\$ -
Stock Issued For Financing Fees	-	-	166,000	2	21,744	-	\$ 21,746
Stock Issued for Cash	-	-	520,000	5	129,995	-	\$ 130,000
Net Loss	-	-	-	-	-	(531,298)	\$ (531,298)
Balance, June 30, 2022	-	-	313,301,039	\$ 3,133	\$ 11,553,814	\$(11,258,856)	\$ 298,091

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

Silverback United, Inc.
Formerly ML Capital Group, Inc.
Condensed Consolidated Statement of Cash Flows
(Unaudited)

	<u>For the six months ended June 31, 2022</u>	<u>For the six months ended June 31, 2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (531,298)	\$ (181,957)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation - consultants	21,746	-
Non cash interest expenses	907	
Non cash merger expenses	195,143	-
Change in operating assets and liabilities:		
Accounts payable and accrued liabilities	39,500	-
Cash flows used in operating activities	<u>\$ (274,003)</u>	<u>\$ (181,957)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit on investment	\$ (50,000)	\$ -
Cash flows used by investing activities	<u>\$ (50,000)</u>	<u>\$ -</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt converted in reverse merger transaction	\$ 175,000	\$ -
Proceeds from sale of common stock	130,000	217,500
Proceeds from Issuance of convertible debt	160,000	-
Repayment of short term debt	(48,125)	-
Cash flows provided by financing activities	<u>\$ 416,875</u>	<u>\$ 217,500</u>
NET INCREASE IN CASH	\$ 92,872	\$ 35,543
CASH, BEGINNING OF YEAR	17,500	-
CASH, END OF PERIOD	<u>\$ 110,373</u>	<u>35,543</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF NON CASH INVESTING / FINANCING ACTIVITY:		
Conversion of convertible debentures	\$ 497,500	\$ -
Stock issuance costs	\$ 200,000	\$ -
Common stock commitment fee for convertible debt	\$ 21,746	-

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

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

NOTE 1 – OVERVIEW OF BUSINESS

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

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 was effective upon confirmation with the Secretary of State of the State of Nevada on January 5, 2022. RBEL received 160,339,167 of common stock in the Company; all convertible debt was exchanged for 5,046,003; legacy stock holders retained 61,280,896 common stock; and the Company’s Preferred Series B Stock was converted into 84,615,640 common stock.

Concurrent with the January merger transaction, MLCG agreed to issue shares of its common stock to various consultants, related parties, former and current directors and officers. The total number of shares to be issued is 34.5 million common stock.

The agreement is binding, with the shares to be (i) issued upon the filing of an S-8 with the SEC (and, issued under the S-8); and, (ii) valued by all parties as of the merger. The respective individual must still be in service with Silverback United, Inc. at the time of the filing of the S-8 in order to receive their shares. As such, the shares have not yet been issued since they are cliff vested.

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.

On March 10, 2022, we completed our 100% acquisition of Darwin Data Capital Inc., for a total purchase price of \$200,000, which represents 1,000,000 shares in the Company. Darwin plans to be a leading company in data backed asset creation. Darwin Data will harness data generated through proprietary technologies, enabling the valuation process to be done with efficiency while creating decipherable data sets to become high-margin, recurring revenue streams. This data will result in new sources of power across the global economy including capital formation strategies, expansion capital, and gaining a sustainable competitive advantage. The technology as described is not functional. The financial results of Darwin have been included in our condensed consolidated financial statements since the date of the acquisition.

On August 18, 2022, the Company acquired UK based Headstart AI, Inc. (“Headstart”) in a \$14 million all stock acquisition. Headstart will remain an independent wholly owned subsidiary of the Company and will continue to operate out of London, UK.

NOTE 2 - 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 condensed 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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 June 30, 2022, the Company had an accumulated deficit of \$11,258,856. 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 June 30, 2022. 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, acquisition of operating businesses, 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 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 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.

REVERSE MERGER ACCOUNTING

Since former Silverback United, Inc. ("Private Silver") (formerly RBEL Entertainment, Inc.) security holders owned, after the Merger, approximately 51.5% of the Company shares of common stock, and as a result of certain other factors, including that all members of the Company's executive management are from Private Silver, Private Silver is deemed to be the acquiring company for accounting purposes and the Merger was accounted for as a reverse merger and a recapitalization in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). These condensed consolidated financial statements reflect the historical results of Private Silver prior to the merger and that of the combined Company following the merger, and do not include the historical financial results of Public Silver. Common stock and the corresponding capital amounts of the Company pre-merger have been retroactively restated as capital stock shares reflecting the exchange ratio in the merger.

RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on net earnings and financial position.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PRINCIPLES OF CONSOLIDATION

Our condensed consolidated financial statements include the accounts of Silverback United, Inc. (formerly ML Capital Group, Inc.), its 100% majority-owned subsidiary, ML CAP ACQ CORP and Silverback United, Inc. (formerly RBEL Entertainment, Inc.). As of March 10, 2022, the Company has consolidated all of the accounts related to Darwin Data, Capital, Inc. 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.

INVESTMENTS

When the Company makes an investment and does not have control or significant influence over that investment it records the investment in accordance with ASC 321, Investments — Equity Securities (“ASC 321”). The Company records its equity investments that it has 20% to 50% ownership and maintains significant influence over those investments in accordance with ASC 323, Investments – Equity Method and Joint Ventures. The Company records its investments where it has and maintains control of those investments with a greater than 50% ownership percentage in accordance with ASC 810, Consolidations and the initial recording of those investments in accordance with ASC 805, Business Combinations assuming they meet the definition of a business in accordance with the rules determined by the Securities Exchange Commission and US GAAP.

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 June 30, 2022.

IMPAIRMENT OF LONG-LIVED ASSETS AND LONG LIVED ASSETS TO BE DISPOSED OF

In accordance with ASC 360, Property, Plant and Equipment, 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 Compensation – Stock Compensation. 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.

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

NOTE 2 - 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.

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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 June 30, 2022, 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 December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*, which simplifies the income tax accounting, eliminates certain exceptions within ASC Topic 740, *Income Taxes*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities. Most amendments within this update are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. Our adoption of this update beginning the first quarter of fiscal 2021 did not have a material impact on our condensed consolidated financial statements.

In October 2020, the FASB issued ASU No. 2020-10 *Codification Improvements*, to make incremental improvements to generally accepted accounting principles (GAAP) and address stakeholder suggestions, including, among other things, clarifying that the requirement to provide comparative information in the financial statements extends to the corresponding disclosures section. The amendments in this update should be applied retrospectively and at the beginning of the period that includes the adoption date. Our adoption of the amendments in this update beginning in the first quarter of fiscal 2021 did not have a material impact on our condensed consolidated financial statements.

Management does not believe any other recently issued, but not yet effective accounting pronouncements would have a material effect on our present or future condensed consolidated financial statements.

NOTE 3 – DEPOSIT ON INVESTMENT

The Company entered into a deposit arrangement on November 28, 2021 with a healthcare company, which we paid an initial \$250,000 on December 1, 2021. The Company paid an additional \$50,000 on January 10, 2022. The deposit provides a right to common stock in the healthcare company. The deposit will immediately convert to equity if the healthcare company is successful in obtaining equity financing, or a liquidity event or change of control occurs. At the time of the conversion into equity, we will evaluate our investment in accordance with our accounting policy for investments as described in Note 2 – Summary of Significant Accounting Policies.

NOTE 4 – INVESTMENT

On October 5, 2021, the Company entered into an agreement to purchase 854,650 shares in Capital Pipeline, Inc. (“Capital”). The Company agreed to pay \$200,000 for a 20% equity investment in Capital, plus assumed an additional \$50,000 in fees that Capital owed to a third party, Traust Data Company. There was to be 6 payments of \$20,000 to be completed by July 5th 2022. The Company currently recorded this as an investment in accordance with ASC 321 and upon final completion of an amended agreement with both parties the accounting for the investment might change.

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

NOTE 5 – SHORT TERM DEBT

On October 5, 2021, the Company entered into an agreement to purchase 854,650 shares in Capital Pipeline, Inc. (“Capital”). The Company agreed to pay \$200,000 for a 20% equity investment in Capital, plus assumed an additional \$50,000 in fees that Capital owed to a third party, Traust Data Company. There was to be 6 payments of \$20,000 to be completed by July 5th 2022. The Company can pay off the obligations early with no penalty. As of June 30, 2022 filing Company still owed Capital \$96,875 for the equity investment and the debt is in default and is due on demand. However, the Company has discussed a verbal agreement with Capital Pipeline, Inc. that the debt will be forgiven.

The Company through the year ended December 31, 2021, had issued \$1,238,440 in convertible debentures bearing zero interest with an automatic conversion with the completion of a \$3,000,000 qualified financing. On December 30, 2021, all convertible debt was exchanged for 5,046,003 in common stock.

During the six months ended June 30, 2022, the Company has received \$175,000 from five investors. Their documents for the convertible debentures were signed during the year ended December 31, 2021 and their debt was converted on December 30, 2021 with all other convertible debt holders.

On June 6, 2022, the Company entered into a convertible note (“Note”) with Tysadco Partners, LLC for \$100,000 cash plus 10% original issue discount (OID) for a total of \$110,000. The Note has 12 month to maturity with 12% annual interest and a fixed conversion price at \$0.10. There is no prepayment penalty. There is a default conversion price which is the lower of \$0.10 or 70% of the lowest daily volume price over the ten trading days, prior to the conversion date. The Company has paid a commitment fee of 100,000 restricted common shares for the financing. The price of the shares were determined on the grant date of \$0.1310 per share with total non-cash compensation recorded of \$13,100. The Company and its transfer agent have reserved 3,000,000 shares of common stock relating to the Note. The Company accrued \$567 of interest as of June 30, 2022 for the Note.

On June 10, 2022, the Company entered into a convertible note (“Note”) with Quick Capital, LLC for \$60,000 cash plus 10% original issue discount (OID) for a total of \$66,000. The Note has 90-days to maturity with 12% annual interest. There is no prepayment penalty. There is a default conversion price which is the lower of \$0.10 or 70% of the lowest daily volume price over the ten trading days, prior to the conversion date. The Company has paid a commitment fee of 66,000 restricted common shares for the financing. The price of the shares were determined on the grant date of \$0.1310 per share with total non-cash compensation recorded of \$8,646. The Company and its transfer agent have reserved 2,000,000 shares of common stock relating to the Note. The Company accrued \$340 of interest as of June 30, 2022 for the Note.

NOTE 6 – STOCK ISSUANCE COSTS

On March 10, 2022, the Company completed a 100% acquisition of Darwin Data Capital, Inc. (“Darwin”), which was determined for accounting purposes stock issuance costs since Darwin has no revenues, no assets, no processes for revenues and no employees and does not constitute a business therefore, is not a business combination. The Darwin transaction does not qualify as an asset purchase since there are no supported or qualified assets that were transferred to the Company. No liabilities were assumed by the Company. The purchase price was valued at \$200,000 for 1,000,000 shares full vested, free and clear without restrictions, which was recorded as stock issuance costs in stockholders’ equity.

The financial results of Darwin have been included in our condensed consolidated financial statements since the date of the acquisition.

NOTE 7 – SHAREHOLDERS’ EQUITY

Preferred Stock - There are 500,000,000 shares of authorized preferred stock, par value \$0.00001 per share, with no shares of preferred stock issued or outstanding. The terms of the shares are subject to the discretion of the Board of Directors.

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

NOTE 7 – SHAREHOLDERS’ EQUITY (continued)

Class A Common Stock - There are 15,000,000,000 shares of authorized Class A common stock, par value \$0.00001 per share, with 312,844,908 and 151,275,872 issued and outstanding as of March 31, 2022 and December 31, 2021, respectively. Each holder of Class A common stock is entitled to one (1) vote for each share held.

During the year ended December 31, 2021, the Company entered into a settlement agreement with its previous CEO for 333,333 common shares to settle \$50,000 in compensation owed.

Concurrent with the January merger transaction, MLCG agreed to issue shares to various consultants, related parties, former and current directors and officers. The total number of shares to be issued is 34.5 million common stock.

The agreement is binding, with the shares to be (i) issued upon the filing of an S-8 with the SEC (and, issued under the S-8); and, (ii) valued by all parties as of the merger. The respective individual must still be in service with Silverback United, Inc. at the time of the filing of the S-8 in order to receive their shares. As such, the shares have not yet been issued since they are cliff vested.

During the six months ended June 30, 2022, the Company received \$130,000 from three investors in exchange for 520,000 common stock at a price of \$0.25.

NOTE 8 – INCOME TAXES

There have been no material changes to the Company’s income tax positions since December 31, 2021 and due to deferred tax assets, liabilities and income taxes requiring significant estimates and potential fluctuations due to changes in net income or losses the Company will update its income tax positions as of December 31, 2022.

NOTE 9 – SUBSEQUENT EVENTS

On August 15, 2022, the Company entered into a convertible note (“Note”) with Graham Clempson for \$100,000 cash. Interest accrues under the Note at the annual rate of 8%. The maturity date of the Note is the earlier of (i) the first day on which the common stock of the Company begins trading on a higher trading exchange; (ii) the closing of a single (non-integrated) financing round raising more than Two Million Dollars (\$2,000,000); or, (iii) 24-months after the issuance of the Note. There is no prepayment penalty. Upon (i) an event of default under the Note; or, (ii) a financing coinciding with an uplist to a higher exchange for the trading of the common stock of the Company, the holder of the Note shall thereafter have the right at any time, and from time-to-time, to convert all or any part of the outstanding and unpaid principal, interest, fees, or any other obligations owed pursuant to the Note, into fully paid and non-assessable shares of common stock of the Company. The conversion price per share shall be the lesser of: (a) Twelve Cents (\$0.12); or, (b) 80% multiplied by the average of the two lowest trading prices for the Company’s common stock during the 30-days ending on the latest complete trading day prior to day of the conversion. The issuance was exempt under Section 4(a)(2) of the Securities Act.

On August 16, 2020, the Company entered into a convertible note (“Note”) with There Is No Spoon, LLC for \$25,000 cash. The terms were identical to the terms for the Note issued on August 15, 2022, as summarized above. The issuance was exempt under Section 4(a)(2) of the Securities Act.

On August 18, 2022, the Company acquired UK based Headstart AI, Inc. (“Headstart”) in a \$14 million all stock acquisition. Headstart will remain an independent wholly owned subsidiary of the Company and will continue to operate out of London, UK.

On August 25, 2020, the Company entered into a convertible note (“Note”) with Jeremy Sziklay for \$100,000 cash. The terms were identical to the terms for the Note issued on August 15, 2022, as summarized above. The issuance

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NOTE 9 – SUBSEQUENT EVENTS (continued)

was exempt under Section 4(a)(2) of the Securities Act.

On August 26, 2022, the Company entered into a convertible note (“Note”) with Vincent Rae for \$50,000 cash. The terms were identical to the terms for the Note issued on August 15, 2022, as summarized above. The issuance was exempt under Section 4(a)(2) of the Securities Act.