

Umbra Applied Technologies Group, Inc.

DISCLOSURE & FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

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Umbra Applied Technologies Group, Inc.

Prepared on January 22, 2018

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Information included or incorporated by reference in this Report contains forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “believe,” “intend” or “project” or the negative of these words or other variations on these words or comparable terminology. Among the material risks which may impact Forward Looking Statements are the following: the risk that we are unsuccessful in obtaining additional capital through the private sale of common shares, debt and/or convertible debt on commercially reasonable terms and which we require in order to fund the Company’s business; the risk that we are unsuccessful in growing and developing our business, and the risk that our business does not perform to expectations, or does not operate profitably. The safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, apply to forward-looking statements made by the Company. The reader is cautioned that no statements contained in this Report should be construed as a guarantee or assurance of future performance or results. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks described in this report and matters described in this report generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. These forward-looking statements are based on current expectations, and the Company assumes no obligation to update this information. Readers are urged to carefully review and consider the various disclosures made by the Company in this Report and in the Company's other reports filed with OTC Markets or regulatory bodies that attempt to advise interested parties of certain of the risks and factors that may affect the Company's business.

Umbra Applied Technologies Group, Inc.

January 17, 2018

UATG Shareholders

Re: Umbra Applied Technologies Group, Inc.
2018 Chairman's Letter
(UATG:PK) Year 2018

Chairman's Letter

“UAT Group and its subsidiaries, operate with the understanding that what we do matters and as such our decisions bear consequences.”

Dear Fellow Shareholders,

First, I would like to wish everyone a prosperous New Year and I hope everyone enjoyed the holidays. As the Chief Executive of this company a publicly traded company I am the fiduciary for all shareholders, many of whom have invested in UAT Group based on long-term goals such as retirement or to pay for a child's higher education. As such, I advocate and otherwise direct corporate governance practices that are in keeping with long-term value creation for our shareholders and clients. Last year I asked my executive team to help me outline a new strategic frame-work for long-term value creation that could be completed within the year. I am pleased to report that we have been successful in our execution and were so against significant odds.

Over the course of the past 12 months, many of the assumptions on which our plans were based, including low interest rates on capital and an expectation for continued globalization, have failed to sustain despite indicators to the contrary. With U.S. reflation, increasing rates, renewed growth, the increasing turbulence in Asia as a catalyst to geopolitical tensions, the prospective withdrawal of the United Kingdom from the European Union reshaping Europe and the United States undergoing a fundamental reformation of long held fiscal strategies; the economic environment has been and remains quite volatile. This does not mean that this company or the market at large is expected to be impacted negatively but it is a factor when crafting a long-term execution strategy.

The impact that globalization and the evolution of technology have had on employees and communities is significant. While the overall benefits of globalization have been significant, I believe global companies represent a driving force for growth and prosperity for all. That said, there is an obvious inequity in the benefits shared. This is in part due to asymmetrical wage growth but more specifically technology that has eliminated millions of jobs for lower-skilled workers while simultaneously creating new opportunities for highly educated positions. Employees whose positions are being relegated to obsolescence due to technological advancements like those found in manufacturing processes are typically facing retirement with insufficient savings. This is wide spread and is expanding, in part because at some point over the past 20 years companies decided to transfer the burden of retirement planning to the employees. This change in responsibility comes with significant

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consequences to the political landscape and economical environment that impacts all of us.

I believe that it is imperative for a responsible company to understand these relationships so that strategies can be implemented in a way commensurate with the challenges it faces and with an understanding of the topography in which they operate. UAT Group and its subsidiaries, operate with the understanding that what we do matters and as such our decisions bear consequences. We have enacted a business strategy to not only create jobs but to sustain employment with proposed tuition assistance programs and re-training initiatives. So, with the above outlined, 2017 behind us and before looking ahead, let's take a retrospective look at a two-year long effort to get us to a year that I view as a significant milestone for this company and its shareholders.

“Two years ago, we implemented a holistic strategy that went beyond merely ensuring survival but focused on delivering top-line growth.”

2015 through 2016 marked a professional period for UAT Group so climacteric that it presented the very real potential for failure. We had many substantially complex obstacles to overcome and the challenges were many. This was a parlous period for the company, so far reaching that many had difficulty envisioning a path where success was a likely outcome. I can say, not as a point of ego or arrogance, that I never doubted our success, nor do I condemn those who advised that it was time to close the doors as it were. I knew that with more than thirty million dollars in assets, a stable of completed product lines across multiple divisions poised and prepared for launch, a calendar that outlined the delivery of products for the next seven years and a population of shareholders counting on us, that failure was not something we could tolerate or consider within the vernacular of UAT Groups universe.

In 2017, we made significant progress in our execution strategy and achieved many core mission objectives that helped to ameliorate company specific market metrics that were less than favorable. Despite the challenges, it was a compelling year with continued operational growth and ongoing progress in developing high-value technologies.

The end of last year not only marked year five for us but it also represented the year we overcame significant obstacles, most of which went well beyond the typical hurdles companies face when striving for success. I attribute this ability to forge ahead and work towards corporate objectives to a team comprised of individuals with intact self-fortitude and discipline that drew on their collective strength to endure and emerge successfully as a stronger company with improved shareholder value potential.

Two years ago, we implemented a holistic strategy that went beyond merely ensuring survival but focused on delivering top-line growth. Two years later that strategy has delivered us to the precipice of success. As a result, I am very excited to announce that we will begin 2018 perfectly poised to complete all the objectives we defined from the beginning of this journey.

We continued to position ourselves to meet tomorrow's challenges

We have executed on many important decisions that have strengthened the operational and capital posture of the company. We have evolved our product lines, expanded our team, improved market metrics, ensured broad

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accountability, and aggrandized our resources. Each decision has slowly and methodically placed UAT Group in the best possible position for the next decision to be made and as a result, created opportunities that will continue to impact the company in ways that will be far reaching. Recently we fundamentally restructured the capital structure of the company to reflect a company more in line with its peers on senior exchanges, so we could consider additional opportunities. This is indicative of an aggressive strategic action plan we defined almost two years ago in an effort to course correct the company's trajectory. This initiative has resulted in substantial progress in three key areas:

- **Up-listing-** The execution of a comprehensive action plan designed to accelerate the company's momentum towards an eventual up-listing to a senior exchange.
- **Market Oversight-** We restructured and/or settled debt to better position the company's corporate balance sheet ahead of independent audits in anticipation of future opportunities for expansion and institutional financing.
- **Delivery of Product –** UAT, a UAT Group subsidiary, delivered its first product successfully proving that it has the ability to not only generate significant revenue but be a disruptive force across multiple market segments.

While I am mindful that we did not reach all of our financial performance priorities this year, I am very proud of our achievements and encouraged by the team's ability to support a steady cadence of increasingly complex operations that strengthen the company's leadership across many market segments.

Identifying shortcomings should not be a point of embarrassment but an attribute of strength

To be a cross industry disruptive force that challenges the way we and others not only think but how we, as a company, approach problems or exact a solution, you must first be willing to be self-critical. In keeping with this doctrine there were a few things we identified early on that needed to be ameliorated, augmented or otherwise corrected.

1. We needed to address market liquidity concerns, for without the proper liquidity, shareholder value cannot be assured nor, can a company be viewed as an enterprise level opportunity by financial institutions. To address this matter, we focused heavily on fostering a more open engagement with shareholders and the market as a whole. We improved transparencies, audited the company, made corrections to previous filings when and where necessary, expanded our public relations effort, forged strategic alliances to bolster productivity and partnered with those who brought value to our e-commerce presence ahead of our first product launch.
2. We needed to demonstrate, our ability to generate ideas, advance multidiscipline design acuity, the ability to improve manufacturing efficiencies and a proficiency to deliver successfully, superior high-quality products. To that end we succeeded and launched our first product, a scaled down by-product of a smart fabric we have been working on since the beginning - Hygieia. When we launched Hygieia we knew it

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would be the beginning of an extensive product line we had planned with nearly limitless scalability. What we did not know was the overwhelmingly positive response we would get from shareholders and commercial industries across the globe. Since launching Hygieia we have engaged dozens of manufacturers interested in the potential of having UAT manufacture their products for them using our antimicrobial Hygieia technology. The response has been stunning and to be honest quite humbling. Years of dedicated and focused efforts being embraced by others and on the verge of bearing significant returns.

3. We needed to prepare for what we knew was coming. If we executed as planned, we would need to have the resources to expand quickly while maintaining control of company branding, product quality and a strict production calendar. We identified and engaged industry manufacturing partners, financial institutions for potential financing in 2018 and initiated dialogs with those who could facilitate the company's intent to be listed with one of the senior exchanges.

Efficiency should be an obsession and a pursuit that is without cessation

We identified areas to be targeted for improvement and we continued to further streamline operational processes to support product launch and delivery. We implemented far-reaching cost-savings actions by implementing administrative cost reductions, reducing manufacturing costs and streamlining our fulfillment apparatus. We increased proportional investments in targeted product inventory, marketing strategies and s-curve data analytics to direct product innovation.

Our efforts to make the UAT Group more dynamic and less sensitive to market fluctuations continued to bear fruit. Implemented efficiencies and effective inventory control ensured that UAT continued to strengthen its cash flow, cash position and product awareness while mitigating remaining over-runs.

As a result, UAT Group is a more nimble, flexible, opportunity driven, global and customer oriented technology manufacturer. Research and development combined with a scalable business model will be the factors that significantly contribute to our success, present opportunities for growth and improve profitability. A focus on efficiency increases cross-company capabilities to include expansion of our dynamic and elite team members. With a company poised for expansion, having the proper personnel to support growth and deliver products is essential.

Looking forward requires a disciplined approach to evaluating core competencies

When drafting or otherwise coordinating a strategic corporate action plan it is essential to be clear on what the company actual does, how it does it, why it does it and what the long-term objectives are. For UAT Group, core competencies must be forged from corporate tenants bolstered by the founding principles that defined our guiding ethos more than five years ago. Seems simple enough but, understanding UAT Group at the onset of

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2018 can be challenging and requires a longer view of a complex institution with operational objectives that at times may seem singular in nature or at times too diverse. This is especially true when vision meets execution and when strategies are multilayered or designed to build upon one another. In short, UAT Group needs to be agile and dynamic in order to maintain an innovative culture that is not in keeping with trends but, rather creates trends. After all, innovation is the fundamental underpinning upon which this company has been built and is sustained. We must constantly evolve in keeping with a tempo that is always several steps ahead of what is needed, known and/or desired.

It has everything to do with a passion for vision and absolutely nothing to do with fixing something that is broken. Rather, our experience over the past five years has taught us to be persistent and vigilant when looking ahead. We began to see that the defense and technology industry was going through a shift in focus, driven by the phenomenon of data capturing, the maturation of analytics and the evolution of artificial intelligence or AI. We began to see a space in the technology markets where we as innovators could capitalize on the convergence of these events where new opportunities both in technology and business would be well served by UAT innovation.

We did not hesitate or wait for others to lead. We ended our start-up phase and focused our considerable resources to the production of final design prototypes. We trimmed top line excess in a way that would not negatively affect the bottom line. We refocused our efforts to reimagine innovation in the twenty first century based on current and future needs as we envisioned them. This meant an acute focus on technologies that could be interconnected and supportive of one another. Technology with an integrated capability that was scalable and could be built upon as mechanisms intertwined throughout many product lines across many divisions. This is what our clients and customers need for the burgeoning new era we are entering.

A paradigm shifting UAT Group future is coming and things will never be the same

We begin 2018 as a fundamentally different company, changed forever with potentially the broadest market segment product portfolio in our industry. With legacy issues addressed to course correct our operational trajectory, we emerge with a strong foundation to build a yet stronger company. With emerging applications in artificial intelligence, augmented reality, swarm technology, digital health and reinforcement learning, we are front and center of a technological renaissance that will continue to shape the future of humanity for generations to come.

Our strategic imperatives implemented, we now have for the first time, a revenue positive business model. With double and triple digit growth across various metrics we now reflect a company whose posture is squarely aimed at success. This is in part due to Hygieia but it is also just the beginning. Hygieia will see the launch of further improved sock designs, boxer briefs and bedding product lines but it will also lead our entry into antimicrobial touch surfaces and other unexplored medical industry firsts. In addition, this smart textile will also cross pollinate further product development across all UAT divisions supporting the development of our B.A.T. Suit exoskeleton, Scorpion Security Drone and H.A.V.O.C. third generation camouflage.

In keeping with our brand commitments, Hygieia represents a piece of the puzzle whose aggregate defines a set of strategic imperatives that will transform UAT Group into the broad scope business, data, cognitive and

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security technology company with the potential to, and in concert with other industry leaders, change the world. Looking forward, we continue to implement our strategies and as a result, have a busy year ahead of us. The first quarter of this year will bring an increased operational launch of the BioTech Division with an expanded Hygieia product line. Additionally, the third quarter delivery of orthopedic medical devices through strategic partnerships, signals the dawn of a sophisticated and mature corporate division with its focus on expansion across a broad product line.

Thanks to strategic manufacturing partnerships with companies like NextCast, as well as others to be announced in the near future, we initiated our expansion objectives to include next generation trauma care, digital health and quality of life initiatives, empowering people to embrace technology as a daily partner in their lives. I have directed the company's vast resources in innovation and technology to seek new ways to not only improve technologies surrounding healthcare but integrate them in a way that fundamentally improves the quality of the care delivered. Working with partners throughout the globe and across many disciplines we will be able to support powerful research and development that can provide practical guidance and advanced solutions to global leaders implementing health systems and solutions.

Additionally, we take very seriously the threats to the environment, the depletion of our natural resources and the necessity of innovators to introduce solutions to address the coming social and environmental impact. Over the past 5 years, in preparation of a full divisional launch, we worked to design a stable of clean technology products with the ability to offset and/or reduce the carbon footprint of our products, manufacturing processes and industrialized nations. We are committed to supporting our government and customers in reducing their environmental impact by providing energy efficient products produced via sustainable processes that, either stand alone, or operate in support of existing infrastructure.

The Helix Power Station, PowerCube and our most recent innovations in bio-electricity all represent initiatives in furtherance of our commitment to researching innovative solutions to complex challenges. We also continue to share our zero CO2 emissions technology across all divisions with design advancements from our GreenTech division influencing multiple divisions within the company. With testing currently underway, our Aerospace & Defense division is scheduled to begin offering our new zero carbon footprint security drone platform later this year.

Objectives for a brighter tomorrow

Providing a path to innovation, environmental sustainability and demonstrating an ethical responsibility to all that share our planet is what a manufacturing leader does. UAT Group and its subsidiaries will continue to build on our commitment as leaders of industry and stewards of our planet. We will continue to leverage our global resources and presence to improve the lives of all, through responsible technology. In accordance with this commitment, I have directed our team to set our most aggressive environmentally conscious expansion targets to date and through 2025.

It is now the company's official targeted objective to manufacture in accordance with bluesign®, Green Seal and by 2025 meet ISO 14001 standards. In addition, we have designed a framework that will have all six divisions of UAT fully operational over the next 3 years; one wholly owned subsidiary added, via acquisition,

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to the UAT Group holding company per year for the next 5 years; and initial construction of a corporate headquarters. To be completed over the next four years, UAT Groups new headquarters will be designed to house corporate offices, research and development complex, technology demonstration facilities, manufacturing operations, fulfillment processes, a shareholder/client welcome center and support public education initiatives. Our expansion will not be solely focused on profits but will be done honoring our commitments to our country, fellow shareholders and an environment under siege across the globe.

UAT Group remains committed to building an enterprise level company with a global footprint that does more than innovates technology for products to be sold. UAT Group has always been and remains the example of what to do when given the responsibility of being an industry leader. UAT Group will continue to focus on corporate sustainability and responsibility as a cornerstone of its business model as well as in developed and emerging markets in which it operates.

I would like to once again thank my UAT Group family for their support, tireless commitment and loyalty to a vision that many thought was not possible yet has empowered us to contribute in a way that matters. Together we can build that which will make a difference for generations to come and be the clarion call for others to join in our pursuit of re-imagining what is possible through innovative thinking and responsible technology.

Warm regards,
Alex Umbra
Chairman & Chief Executive Officer
Umbra Applied Technologies Group, Inc.

About Umbra Applied Technologies, Inc.

Umbra Applied Technologies Inc. is a member of the Umbra Applied Technologies Group (OTC: UATG) family of companies. Umbra Applied Technologies, Inc is U.S. based Defense and Security Company, is engaged in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products, and services for defense, civil, and commercial applications in United States and internationally. It also provides management, engineering, technical, scientific, logistic, and information services.

UATG operates in five segments: Aeronautics, Information Systems & Global Solutions, Biotech, Alternative & Renewable Energy, and Intelligence Systems. The Aeronautics segment offers military aircrafts, such as unmanned combat and air mobility aircrafts, and related technologies. The Information Systems & Global Solutions segment provides advanced technology systems and security expertise, integrated information technology solutions, and management services for civil, defense, intelligence, and other government customers. The Biotech segment addresses critical gaps that are absent in defense medical research programs. The Alternative & Renewable Energy segment provides alternative solutions to energy through research in bioelectricity, wind, thermodynamic and solar energy. The Intelligence segment provides computational study of signals, open source and network intelligence through advanced metrics and algorithms to locate and extract

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sentiment from gathered intelligence.

Current Reporting of Material Corporate Events

1) UATG is actively pursuing several opportunities such as mergers, acquisitions, joint ventures. (October 2018)

Historically UATG has always reviewed several possible transactions which in come in variety of different forms. However, this type of activity has recently reached a new level of both activity and of increasing possibility of such a transaction. Management believes that with its recent successful and dramatic launch of its Hygieia line of products have increased corporate awareness of UATG and have made it more attractive to such companies. As with any future possibilities and even more so with these types of transactions there is substantial risk that such transaction never come to fruition.

2) UATG has made a dramatic breakthrough and is now poised into a \$8 billion market. (October 2017)

UAT BioTech is among the first to design and develop silver-based advanced textile technologies designed for mission critical applications, and is an innovator in the field of smart textile applications across multiple market segments.

UAT under its Hygieia brand has partnered with a U.S. based company that has more than 130 years of experience in the textile industry. Partnering with a domestic company that has been on the cutting edge of soft surface innovations for decades enables Hygieia to be at the forefront of consumer needs while maintaining a focus on advanced research to discover what is next. This partnership incorporates a strong global technical team designed to support the entire supply chain from manufacturing to customer delivery. We focus on the relentless pursuit of satisfying our brand promises at the point of consumer use. Proven by United States Special Forces, NASA, and Olympic athletes Hygeia's new partnership reflects a rich heritage of delivering superior performance that has been validated by studies at prestigious institutions throughout the world for more than a decade.

Section II: Executive Summary

Hygieia's powerful technology inhibits the growth of bacteria on fabrics, eliminating human-based odor for the life of the garment. Hygieia textiles are made by permanently bonding 99.9% metallic silver to the surface of a fiber. It is not a nanotechnology or a complex chemical formula, just pure silver. The permanent performance of Hygieia keeps our products smelling fresher for longer, even after multiple wear cycles between laundering. Hygieia textiles are precisely engineered to feature a 100% coverage area of silver on the fiber to maximize performance, but remain soft, flexible and comfortable. Through this strategic partnership, Hygieias underlying technology is registered as an antimicrobial with the US EPA, is OEKO-TEX[®] Standard 100 certified and is used in dozens of FDA approved products. Never before has so much research and advanced textile engineering technology been applied to textiles to include something so simple as a bed sheet, underwear or socks.

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Hygieia has many applications across many market segments:

Medical industry (sheets, privacy curtains, window drapes, nurse scrubs, lab coats etc.)

Bedding

Children's bedding, clothing and toys

Cloth Diapers

Athletic wear

Men's underwear

Military textiles (uniforms, specialty products etc.)

In addition, when Hygieia textiles are configured differently they can be designed to conduct electricity and even transfer data. We refer to this product as SmartX and we are currently conducting research on its many military and technology applications with our Applied Sciences Division.

We do this because life is not simple and getting healthy sleep is critical to how we execute our daily lives. Remaining healthy can be a challenge when one considers the assault our immune system is under daily but that does not mean the solution has to be complicated. Hygieia is the simplest and easiest way to protect our health when we are at our most vulnerable.

UAT has acquired the services of a GOOGLE PREMIER PARTNER AGENCY - this means that UAT sales channels are managed by one of top 1% of Google Partner Agencies (most partners have the blue badge, which anyone can get by passing tests, the red badge signifies verified skills, knowledge and amount of advertising managed over at least a 2-year period.) – Our Agency has a red badge and manages north of \$30 million per year in google ad spend for ecommerce clients including their own company which in its 7 months generated over 800k in sales. This team includes:

- A silicon-valley level developer (who has worked on many well-funded startups)
- 2 Badged Google Ad-words Managers
- 1 Search Engine Optimization expert
- 1 Conversion optimization expert (the % at which your traffic turns into sales)
- 1 Upselling expert whose focus is raising the average sale amount with deals and promotions
- 3 data analytics experts

This project is not an idea that we will “try to sell online” - this is a well calculated, data driven product launch based on facts, statistics and real-time search data.

3) Further expansion of Hygieia (October 2017)

Umbra Applied Technologies Group (OTC: [UATG](#)) announced on October 17, 2017 that it has formed a strategic partnership with Next Cast & Brace Corporation to supply the high-tech cast maker with UAT's Hygieia ASP (Active Silver Protection) antimicrobial technology. Next Cast manufactures what is inarguably the worlds most advanced orthopedic cast and brace systems currently available. The revolutionary new cast is scheduled to be released early 2018 and will feature an antimicrobial silicone surface, powered by UAT's Hygieia ASP

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technology, where the cast comes in contact with the patient's skin.

Chief Executive Officer, Alex Umbra stated, "This is the joining of two highly innovative companies with a very clear vision of how technology can improve lives and change the world. You could not ask for a more perfect partnership. This new strategic partnership is indicative of the synergy that we at UAT see as a broader opportunity between UAT and the entire medical landscape. Hygieia technology is paradigm shifting and will advance medical care and treatment exponentially. UAT is at the forefront of antimicrobial efficacy and it is Hygieia that will carry the medical industry into the future in this area of treatment and infection prevention."

The strategic partnership between Umbra Applied technologies and Next Cast is in keeping with UAT's renewed focus on growth and revenues after evolving from a primarily R&D company. The scalability of the Hygieia ASP technology appears to be limitless as UAT heads into the end of the year with an eye on improved revenues in the coming year.

Umbra added, "This partnership reveals, to a limited extent, what we have been working towards for more than a year and signals the beginning execution of a more robust UAT branding effort. Hygieia will be the product that introduces UAT to businesses as well as our homes."

The company has indicated that other products are on the horizon with much speculation surrounding the release of its new surgical cleanser and it being made available as an antibacterial foaming hand wash for the home. The not yet named surgical cleanser is slated for release next year and is for hospital and medical use only. With the introduction of an advanced antimicrobial hand soap for home use, UAT could indeed become a household name.

Next Cast commented that, "The company is very excited about our new partnership with UAT. UAT has proven to be an industry leader in breakthrough technology and a valued partner in working with our engineers to bring additional innovation to the most dynamic and advanced cast in the world."

Chief Financial Officer, Thomas L. Crom commented, "This partnership will help to further increase the competitive edge Next Cast & Brace has over its competitors while simultaneously increasing UAT's footprint within the medical industry. In addition, this new contract further delivers on a promise we made to the shareholders to be revenue positive within 5 years from the day we opened the doors."

Beginning in January of 2018, UAT will begin delivering Hygieia ASP technology to NextCast for the manufacturing of 100,000 units in the first year of a three-year contract for a total of up to half a million units through 2021.

The Company is continuing its plans for outside audit and concurrent with those plans is conducting a document review on prior operations to support that audit.

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OTC Pink Basic Disclosure Guidelines

Item 1 Name of the issuer and its predecessors (if any)

Umbra Applied Technologies Group, Inc.	December 2013 effective January 13, 2014
Green Processing Technologies, Inc.	May 12, 2010
TMTM Merger Corp	April 13, 2009

Item 2 Address of the issuer's principal executive offices

Company Headquarters (as well as Operations, Storage and Future Manufacturing)

Umbra Applied Technologies Group, Inc.
4377 Commercial Way
Suite 130
Spring Hill FL 34606
Tel: [\(888\) 926-4682](tel:8889264682)
Tel: (813) 607-6219
Fax: [\(813\) 614-9056](tel:8136149056)

Email: Info@Uatgroup.com

Website(s):	www.UATGroup.com	www.uatintel.com
	www.umbraexploration.com	www.uatgreentech.com
	www.umbraexplorerifile.com	www.umbraappliedtechnologies.com
	www.hygieatech.com	www.hygieasport.com

Investors Relations Firm:

Firm Name:	Everest Corporate Advisors, Inc.
Individual Name:	Steffan Dalsgaard
Address 1:	5030 Paradise Rd
Address 2:	Suite A106
Phone:	702-902-2361
Email:	None
Website:	https://everest-corporate-advisors-nv.hub.biz/

Item 3 Security Information

Trading Symbol:	UATG
Exact title and class of securities outstanding:	Common Stock
CUSIP:	90419P100
Par or Stated Value:	\$.001
Total shares authorized as of January 22, 2018:	600,000,000

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Total shares outstanding as of January 22, 2018: 373,783,339

Additional class of securities

Trading Symbol: None
Exact title and class of securities outstanding: Series A Preferred
CUSIP: None
Par or Stated Value: \$.001
Total Series A Preferred shares authorized as of January 22, 2018: 15,000,000
Total Series A Preferred shares outstanding: as of January 22, 2018: 15,000,000
Series A Preferred has 50 votes per share

Additional class of securities

Trading Symbol: None
Exact title and class of securities outstanding: Series B Preferred
CUSIP: None
Par or Stated Value: \$.001
Total Series B Preferred shares authorized as of January 22, 2018: 15,000,000
Total Series B Preferred shares outstanding as of January 22, 2018: 690
Series B Preferred can convert into common at 20 to 1 into common subject to 1% of the outstanding common shares

Additional class of securities

Trading Symbol: None
Exact title and class of securities outstanding: Series C Preferred
CUSIP: None
Par or Stated Value: \$.001
Total Series C Preferred shares authorized as of January 22, 2018: 25,000,000
Total Series C Preferred shares outstanding as of January 22, 2018: -0-
Series C Preferred can convert into Common at 10 to 1

Additional class of securities

Trading Symbol: None
Exact title and class of securities outstanding: Series D Preferred
CUSIP: None
Par or Stated Value: \$.001
Total Series D Preferred shares authorized as of January 22, 2018: 10,000,000
Total Series D Preferred shares outstanding as of January 22, 2018: -0-
Series D Preferred can be converted into Common at terms set by the Board of Directors when Series D Preferred have been issued

Additional class of securities

Trading Symbol: None
Exact title and class of securities outstanding: Series E Preferred
CUSIP: None

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Par or Stated Value: \$.001
Total Series E Preferred shares authorized as of January 22, 2018: 10,000,000
Total Series E Preferred shares outstanding as of January 22, 2018: -0-
Series E Preferred can be converted into Common at terms set by the Board of Directors when Series E Preferred have been issued

Additional class of securities

Trading Symbol: None
Exact title and class of securities outstanding: Series F Preferred
CUSIP: None
Par or Stated Value: \$.001
Total Series F Preferred shares authorized as of January 22, 2018: 10,000,000
Total Series F Preferred shares outstanding as of January 22, 2018: -0-
Series F Preferred can be converted into Common at terms set by the Board of Directors when Series F Preferred have been issued

Transfer Agent

Name: Corporate Stock Transfer
Address 1: 3200 Cherry Creek Rd
Address 2: Suite 430
Address 3: Denver, Co. 80209
Phone: 303-282-4800

Is the Transfer Agent registered under the Exchange Act* Yes: No:

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the

Exchange Act. List any restrictions on the transfer of security: N/A

Describe any trading suspension orders issued by the SEC in the past 12 months: N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

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Item 4 Issuance History

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.)

2017

Common Stock (All Issuances subject to a Hold- 1-year Restrictive Legend under SEC Rule 144 unless otherwise stated)

Common Shares issued during three months ended December 31, 2017

21,201,824	Cede & Co.	exchange of debt for shares-Section 3(a)(10)
37,136,483	Cede & Co.	exchange of debt for shares-Section 3(a)(10)

Common Shares issued during three months ended September 30, 2017

5,000,000	Cede & Co.	Services- Section 3 (a) (10)
119,255,053	Cede & Co.	exchange of debt for shares-Section 3(a)(10)

Preferred Series A (All Issuances subject to a Hold- 1-year Restrictive Legend under SEC Rule 144 unless otherwise stated)

Preferred Series A issued during three months ended September 31, 2017

10,000,000	Alex Umbra	Services-private offering of restricted shares
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Common Shares issued during three months ended June 30, 2017

1,000,000	Fred L Thomas Trust	private offering of restricted shares
2,740,000	Trend Trade Group LLC	private offering of restricted shares
2,737,000	Cede & Co	exchange of debt for shares

Common Shares issued during three months ended March 31, 2017

250,000	Timothy & Patricia Wilson Jt Ten	private offering of restricted shares
2,000,000	John Theims	private offering of restricted shares
5,000,000	Syndicate Consulting Inc	services
1,540,000	Terrance & Healthier Braun Jt Ten	private offering of restricted shares
770,000	Yoseph Shaley	private offering of restricted shares
770,000	Diane McDaniels	private offering of restricted shares
312,500	Alan Levinson	private offering of restricted shares
770,000	Yoseph Shaley	private offering of restricted shares
4,100,000	Chanthy & Timothy Walsh Jt Ten	private offering of restricted shares
3,500,000	Kurk & Betty Moss Jt Ten	private offering of restricted shares
23,571,429	Ferndale Family Trust	private offering of restricted shares
1,000,000	Charles Martin	private offering of restricted shares
3,000,000	Harendra Ramdatt	private offering of restricted shares
312,500	John Nwaodo	private offering of restricted shares
250,000	Bernard & Margaret Comeau Jt Tn	private offering of restricted shares
1,540,000	Victoria Bednarski	private offering of restricted shares

Umbra Applied Technologies Group, Inc.

7,000,000	Donald Jacobs	private offering of restricted shares
660,000	John Posey	private offering of restricted shares
5,000,000	Cede & Co	exchange of debt for shares
7,000,000	Chris Terry	services

2016

Common Stock (All Issuance Hold a 1-year Restrictive Legend under SEC Rule 144)

10,123,320	On June 21, 2016 conversion of Mark Estrada Preferred B shares into common into common shares issued to Mark Estrada who transferred ownership of 7,000,000 common shares the same day to an undisclosed party. As of June 21, 2016, Mark Estrada had ownership of the remaining 3,123.320 common shares.		
6,012,240	On April 25, 2016 conversion of Chris Terry Preferred B shares into common shares issued to Chris Terry who transferred ownership the same day of 6,000,000 shares to an undisclosed party. As of April 25, 2016, Chris Terry had ownership of the remaining 12, 240 common shares.		
7,000,000	On April 25, 2016 conversion of Mark Estrada Preferred B shares into common shares issued to Mark Estrada who transferred ownership the same day to an undisclosed party and these shares are no longer owned by Mark Estrada.		
4,650,000	On March 7, 2016 conversion of Preferred B shares (originally issued to Justin Herman) into common shares issued to Intrepid Capital Holdings Corp.		
4,650,000	On March 7, 2016 conversion of Preferred B shares (originally issued to Justin Herman) into common shares issued to EY II LLC.		
1,223,415	On March 7, 2016 conversion of Preferred B shares (originally issued to Justin Herman) into common shares issued to FYA Field Services LLC		
3,000,000	On March 7, 2016 conversion of Preferred B shares (originally issued to Justin Herman) into common shares issued to Thomas Collins.		
2,000,000	On March 7, 2017 conversion of Preferred B shares (originally issued to Justin Herman) into common shares issued to JAX Capital Growth		
15,000,000	Alex Umbra	Services	private offering of restricted shares
500,000	Thomas L. Crom	Services	private offering of restricted shares
500,000	Stacy A. Crom	Services of	private offering of restricted shares
		Thomas L. Crom	
5,000,000	Steffan Dalsgaard	Services	private offering of restricted shares
10,000,000	Executive Financial	Services	private offering of restricted shares
2,500,000	SQRL Management	Services	private offering of restricted shares
2,000,000	Blake Cooley	Services	private offering of restricted shares
150,000	Chris Terry	Services	private offering of restricted shares
500,000	Steffan Dalsgaard	Services	private offering of restricted shares
3,019,243	Various	Cash	private offering of restricted shares

Preferred Series B (All Issuance Hold a 1-year Restrictive Legend under SEC Rule 144)

3,186,563	Alex Umbra	Services	private offering of restricted shares
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Umbra Applied Technologies Group, Inc.

2015

Common Stock (All Issuance Hold a 1-year Restrictive Legend under SEC Rule 144)

185,185	Bull Dog Industries, LLC.	Cash	private offering of restricted shares
5,000,000	Alexander Umbra	Salary	private offering of restricted shares

2014

Preferred Series A (All Issuance Hold a 1-year Restrictive Legend under SEC Rule 144)

(5,000,000)	Chuck Winters	Returned to Treasury	private offering of restricted shares
5,000,000	Alex Umbra	Equity Acquisition	private offering of restricted shares

Preferred Series B (All Issuance Hold a 1-year Restrictive Legend under SEC Rule 144)

1,600,000	Justin Herman	Equity Acquisition	private offering of restricted shares
1,400,000	Chuck Winters	Equity Acquisition	private offering of restricted shares
2,428,677	Various	Debt Service	private offering of restricted shares

Common Stock (All Issuance with a Hold 1-year Restrictive Legend under SEC Rule 144)

3,000,000	Joseph Myzak	Asset Acquisition	private offering of restricted shares
3,000,000	Lee Scogin	Asset Acquisition	private offering of restricted shares
200,000	Michael McClenning	Consulting Services	private offering of restricted shares
500,000	Robert Pierce	Asset Acquisition	private offering of restricted shares
60,000	D & A Consulting	Consulting Services	private offering of restricted shares
7,254,034	Various-Schedule A	Services	private offering of restricted shares
4,500,000	Various-Schedule B	Asset Acquisitions	private offering of restricted shares
11,021,013	Various-Schedule C	Debt Service	private offering of restricted shares
31	Cede & Co	rounding from reverse split	

Schedule A-Services (All Issuance with a Hold 1-year Restrictive Legend under SEC Rule 144)

5,000,000	Alex Umbra
1,000,000	Paul Terry, Jr
128,596	Blake H. Cooley
15,438	Lester Steotoe, Jr
1,000,000	Charles Addressi

Schedule B-Asset (All Issuance with a Hold 1-year Restrictive Legend under SEC Rule 144)

4,500,000	Chuck Winters
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Schedule C-Various Debt Settlement

(All Issuance with a Hold 1-year Restrictive Legend under SEC Rule 144)

5,500,000	Justin Herman
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Umbra Applied Technologies Group, Inc.

9,479	John Harper III
115,227	Danny & Sarah Hollembaek Jt Ten
115,227	Brett & Carrie Herhoff Jt Ten
10,844	Bill Kirksey
36,414	Norbert Kitashima
19,298	Paul Mello
385,965	Spencer Napoleon
192,983	James Pulliam
131,894	Charles Rockwood
66,000	Peter Rockwood
154,386	Joshua Shaw
13,086	Dawn Vance
38,597	Beverly Vivar
64,517	Rodney & Penelope Aller Jt Ten
192,982	Thomas J. Baldassar
11,579	Zina Butler
1,517	Eleandor Dan
27,169	Lafayette Davis
17,240	William & Judy Edwards Jt Ten
1,100	Steve Fedor
7,642	Jill Focheasto
39,564	Melanie Fox
7,914	Jeffery Goldblatt
181,819	Col Daniel & Leuhaunani Griffith, Jt Ten
91,667	Linda Burkett
88,000	Josephine Diazz
7,333	Paul Eblen
82,133	Bradley Epstein
91,669	Donnie Eposito
18,333	Kristen Evenso
2,200	Camille Howe
183,333	Norman Ipson
2,509,000	Edwin Payne
61,600	Michelle Speir
128,333	Carol Terry
82,133	George & Barbara Visconi Jt Ten
1,100	Cindy Welter
7,333	Jeff Welter

2013

Preferred Series A *(All Issuance Hold a 1-year Restrictive Legend under SEC Rule 144)*

5,000,000	Chuck Winters	Equity acquisition	private offering of restricted shares
	(Deemed issued by Mr. Winters)		

Umbra Applied Technologies Group, Inc.

Any jurisdictions where the offering was registered or qualified: None

The number of shares offered: as shown above

The number of shares sold: as shown above

The price at which the shares were offered, and the amount paid to the issuer:

Deemed price of \$.05 for common shares issued in 2015-deemed value of services
Deemed price of \$.001 for Preferred Series B shares issued in 2014-paid in \$5,000 cash
Deemed price of \$.001 for Preferred Series A shares issued in 2013-paid in \$5,000 cash

- B. The trading status of the shares: restricted
- C. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

All shares issued bear a restrictive legend under SEC Rule 144.

Item 5 Financial Statements

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as of the end of the period covered by this report. Based on this evaluation, our management concluded as of the evaluation date that our disclosure controls and procedures were not effective such that the material information required is accumulated and communicated to our management recorded, processed, summarized and reported within the time periods specified by regulatory bodies, such as the OTC markets and forms relating to our company, particularly during the period when this report was being prepared.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of its management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that

Umbra Applied Technologies Group, Inc.

could have a material effect on the financial statements. Management recognizes that there are inherent limitations in the effectiveness of any system of internal control, and accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect material misstatements. In addition, effective internal control at a point in time may become ineffective in future periods because of changes in conditions or due to deterioration in the degree of compliance with our established policies and procedures.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in there being a more than remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Under the supervision and with the participation of our management conducted an evaluation of the effectiveness of our internal control over financial reporting, as of December 31, 2017, based on the framework set forth in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under this framework, management concluded that our internal control over financial reporting was not effective as of the evaluation date due to the factors stated below.

Management assessed the effectiveness of our company's internal control over financial reporting as of evaluation date and identified the following material weaknesses:

Insufficient Resources: We have an inadequate number of personnel with requisite expertise in the key functional areas of finance and accounting.

Inadequate Segregation of Duties: We have an inadequate number of personnel to properly implement control procedures.

Lack of Audit Committee and Outside Directors on our Company's Board of Directors: We do not have a functioning audit committee or outside directors on our Board of Directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures.

Management is committed to improving its internal controls and will (1) continue to use third party specialists to address shortfalls in staffing and to assist our company with accounting and finance responsibilities, (2) increase the frequency of independent reconciliations of significant accounts which will mitigate the lack of segregation of duties until there are sufficient personnel and (3) may consider appointing outside directors and audit committee members in the future.

Management, including our chief executive officer (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), has discussed the material weakness noted above with our advisors. Due to the nature of this material weakness, there is a more than remote likelihood that misstatements which could be material to the annual or interim financial statements could occur that would not be prevented or detected.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public

Umbra Applied Technologies Group, Inc.

accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this annual report.

Changes in Internal Controls Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter from our fiscal year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Umbra Applied Technologies Group, Inc.

UMBRA APPLIED TECHNOLOGIES GROUP, INC.

FINANCIAL STATEMENTS

(A Development Stage Company)

December 31, 2017
Financial Statements
(Unaudited)

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Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Balance Sheets (Unaudited)

	Year Ended <u>December 31,</u> <u>2017</u>	Year Ended December 31, <u>2016 (restated)</u>
ASSETS		
Current Assets		
Cash	\$ 4,089	\$ 7,812
Inventory	2,788	-0-
Securities	<u>200,000</u>	<u>200,000</u>
Total Current Assets	206,877	207,812
Property, Plant and Equipment		
Equipment	2,831,800	2,831,800
Less: Accumulated depreciation	<u>(268,340)</u>	<u>(196,116)</u>
Total Property, Plant and Equipment	2,563,460	2,685,684
Other Assets		
Intellectual Property (see Note 6-Restated)	5,286,800	5,286,800
Leasehold improvements, net (see Note 7)	-0-	227,500
Oil Lease, net of depletion	<u>743,523</u>	<u>743,523</u>
Total other assets	6,030,323	6,257,823
Total Assets	\$ <u>8,800,660</u>	\$ <u>9,101,319</u>
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current		
Accounts Payable	\$ 432,013	507,739
Short Term debt	22,130	50,055
Debt associated with purchase of Intellectual Property (see Note 6)	819,650	819,650
Shares to be issued	<u>138,274</u>	<u>206,000</u>
Total Current Liabilities	1,412,067	1,583,444
Total Liabilities	\$ 1,412,067	1,583,444
STOCKHOLDERS' EQUITY		
Authorized: 400,000,000 common Issued and outstanding, \$0.001 par value		
December 31, 2017 and December 31, 2016-373,783,339 and 116,276,050		
common shares, respectively	373,783	116,276
Preferred shares, Series A \$0.001 par value 15,000,000 Authorized		
15,000,000 and 5,000,000 issued as of September 30, 2017 and December 31, 2016		
Preferred shares, Series B, \$0.001 par value 15,000,000 Authorized	15,000	5,000
December 31, 2017 and December 31, 2016 outstanding 690 and 690 respectively		
Additional paid-in capital -	6,843	6,843
Deficit Accumulated During the Developmental Stage	20,211,733	19,891,570
Total Stockholders' Equity	<u>(13,218,766)</u>	<u>(12,501,814)</u>
Total Liabilities and Stockholders' Equity	\$ <u>8,811,955</u>	\$ <u>9,101,319</u>

The accompanying notes are an integral part of these Financial Statements

Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Statements of Operations

(Unaudited)

	Year Ended December 31, <u>2017</u>	Year Ended December 31, <u>2016</u>
<u>Revenue</u>		
Income	\$ <u>80,284</u>	\$ <u>-0-</u>
<u>Expenses</u>		
Professional Fees	80,800	9,500
Public company expenses	27,150	15,600
Consulting	36,000	301,500
Wages	205,000	60,000
Office	75,354	86,310
Rent	30,908	40,500
General and admin	42,300	17,400
Depreciation	<u>72,224</u>	<u>54,168</u>
Total Expenses	569,736	584,978
Net Loss from Operations	(489,452)	(584,978)
<u>Other Income and Expenses</u>		
Depletion allowance	(-0-)	(-0-)
Loss on write off of leasehold improvements	(275,000)	(-0-)
Loss on sale of assets	-0-	(-0-)
Loss on securities	-0-	(-0-)
Interest expense	<u>-0-</u>	<u>(-0-)</u>
Total other income and expenses	(275,000)	(-0-)
Loss For The Period	\$ <u>(716,952)</u>	\$ <u>(584,978)</u>

The accompanying notes are an integral part of these Financial Statements

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Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Statements of Cash Flows

(Unaudited)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Cash Flows From Operating Activities		
Net Income (Loss)	\$ (716,952)	(584,978)
Adjustments To Reconcile Net Loss To Net Cash Provided by Operations		
Depreciation	72,168	54,168
Unrecognized loss on securities	-0-	-0-
Loss on sale of Assets	-0-	-0-
Depletion	-0-	-0-
Stock issued for services	46,000	301,500
(Increase) in accounts receivable	-0-	10,500
(Increase) in inventory	(2,788)	-0-
Increase (decrease) in Accrued Liabilities and Payables	<u>(103,651)</u>	<u>87,372</u>
Net Cash Provided (Used) by Operating Activities	<u>(705,167)</u>	<u>(131,438)</u>
Cash Flows From Investing Activities		
Leasehold improvements	227,500	(75,000)
Sale of securities	-0-	-0-
Purchase equipment	<u>-0-</u>	<u>(-0-)</u>
Net Cash Provided (Used) by Investing Activities	<u>227,500</u>	<u>(75,000)</u>
Cash Flows From Financing Activities		
Increase (decrease) in shares to be issued	67,726	206,000
Cash Received from issuance of stock	<u>406,218</u>	<u>-0-</u>
Net Cash Provided (Used) by Financing Activities	<u>473,941</u>	<u>206,000</u>
Increase (Decrease) in Cash from Continuing Operations	(3,723)	(438)
Cash and Cash Equivalents at Beginning of Period	\$ 7,812	8,250
Cash and Cash Equivalents at End of Period	\$ 4,089	7,812

Supplemental Information

Cash Paid For:

Interest	-0-	-0-
Income Taxes	-0-	-0-

The accompanying notes are an integral part of these Financial Statements

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Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Notes to Financial Statements

(Unaudited)

NOTE 1 - BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS

a) Basis of Presentation

The information presented in the accompanying financial statements for the periods ended December 31, 2017 and December 31, 2016, are unaudited and includes all adjustments, which are, in the opinion of the management of Umbra Applied Technologies Group, Inc. (the “Company”), necessary to present fairly the financial position, results of operations and cash flows in the periods presented.

b) Reclassifications and Restatement

Certain reclassifications have been made to the prior years’ financial statements to conform to the current year presentation. On the Assets we have reclassified Inventory into R&D products. These reclassifications had no effect on previously reported results of operations or retained earnings.

The financial statements for 2015 have been restated to show the accrued liability to issue additional shares including 5,000,000 shares to a third-party service party. Those shares were issued with a restrictive SEC 144 legend in the first quarter of 2016 however the expense was not previously recorded during 2015. In addition, we have reclassified amounts previously labeled “Goodwill” as “Intellectual Property”

c) Development Stage Activities

The Company is in the development stage and has not yet realized any revenues from its planned operations. Based upon the Company's business plan, it is a development stage enterprise.

d) Organization

Umbra Applied Technologies Group, Inc. (the “Company”) was incorporated in the State of Delaware under the name Green Technologies, Inc.

The Company purchased a private company in March 2013 and has accounted for the transaction as a reverse acquisition. The Company has issued the shares required to complete its side of the transaction but has not received all of the consideration from Intrepid Innovations Corporations shareholders as required in the purchase agreement.

Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Notes to Financial Statements

(Unaudited)

NOTE 1 - BASIS OF PRESENTATION AND DESCRIPTION OF BUSINESS –continued

In December 2013 the Company changed its name to “Umbra Applied Technologies Group, Inc. (hereinafter “UATG”). The Company entered into a purchase transaction to acquire Umbra Applied Technologies, Inc. in December 2013 that was approved by the Company’s Board of Directors in January 2014. This transaction has been accounted for as a reverse acquisition.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Company’s financial statements. The financial statements and notes are representations of the Company’s management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements. The financial statements are stated in United States of America dollars.

Organizational and Start-up Costs

Costs of start-up activities, including organizational costs, are expensed as incurred in accordance with ASC 720-15.

Income Taxes

The Company uses the asset and liability method of accounting of income taxes. Under the asset and liability method deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements 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 those temporary differences are expected to be recovered or settled.

Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Notes to Financial Statements

(Unaudited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES –continued

Basic and Fully-Diluted Loss Per Share

The basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Fully-Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At December 31, 2017 and December 31, 2016, the Company had no stock equivalents that were anti-dilutive and excluded in the earnings per share computation.

Estimated Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, consisting of accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

Revenue Recognition

The Company has had limited revenues to date. It is the Company's policy that product revenues (or service revenues) will be recognized when persuasive evidence of an arrangement exists, delivery has occurred (or service has been performed), the sales price is fixed and determinable and collectability is reasonably assured.

Concentrations

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. At December 31, 2017 and December 31, 2016, the Company had \$4,089 and \$7,812 respectively, in funds in deposits in a business bank account, which are not insured by agencies of the U.S. Government.

Currency

The functional currency of the Company is the United States Dollar.

Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Notes to Financial Statements

(Unaudited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES-continued

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America require the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a material effect on the reported amounts of the Company's financial position and results of operations.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Recent Accounting Pronouncements

The Company management has reviewed recent accounting pronouncements issued through the date of the issuance of financial statements. In management's opinion, except for those pronouncements detailed below, no other pronouncements apply or will have a material effect on the Company's financial statements.

In May 2009, the FASB issued ASC 855 Subsequent Events, which establishes principles and requirements for subsequent events. In accordance with the provisions of ASC 855, the Company currently evaluates subsequent events through the date the financial statements are available to be issued.

Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Notes to Financial Statements

(Unaudited)

NOTE 3 - BASIS OF PRESENTATION – GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (“GAAP”) in the United States of America, which contemplates the Company’s continuation as a going concern. However, the Company has losses to date of approximately \$20,211,733. These matters raise substantial doubt about its ability to continue as a going concern. In view of these matters, realization of certain of the assets in the accompanying balance sheet is dependent upon its ability to meet its financing requirements, raise additional capital, and the success of its future operations. The Company acquired operating capital through equity offerings to the public and through the sale of notes to related parties, to fund its business plan. There is no assurance that the funds received will be sufficient to assure the Company’s eventual profitability. Management believes that actions planned and presently being taken to revise its operating and financial requirements provide the opportunity for it to continue as a going concern. The financial statements do not include any adjustments that might result from these uncertainties.

NOTE 4 - INCOME TAXES

The Company is subject to U.S. federal income taxes. It has had losses to date, and therefore, has paid no income tax. Deferred income taxes arise from temporary timing differences in the recognition of income and expenses for financial reporting and tax purposes. The Company’s deferred tax assets consist entirely of the benefit from net operating loss (“NOL”) carry-forwards. Its deferred tax assets are offset by a valuation allowance due to the uncertainty of the realization of the NOL carry-forwards. NOL carry-forwards may be further limited by a change in Company ownership and other provisions of the tax laws.

NOTE 5 – RELATED PARTY TRANSACTIONS

The officers and directors of the Company are involved in other business activities and they may, in the future, become involved in additional business ventures, which may also require their time and attention. If a specific business opportunity becomes available, such persons may face a conflict in selecting between the Company and their other business interests. The Company has not formulated a policy for the resolution of such conflicts.

Umbra Applied Technologies Group, Inc.

Umbra Applied Technologies Group, Inc.

(A Development Stage Company)

Notes to Financial Statements

(Unaudited)

NOTE 5 – RELATED PARTY TRANSACTIONS-continued

During 2016, the Company issued Alex Umbra, its President 15,000,000 common shares and 3,186,563 Preferred B Series shares for compensation which was valued at \$150,000 on its financial statements. During 2016, the Company issued Thomas L. Crom, it's CFO and his spouse each 500,000 common shares for a total of 1,000,00 common shares.

During 2017, the Company issued Alex Umbra, its president 5,000,000 Preferred A Series shares for compensation which was valued at \$10,000 on its financial statements.

Also see Note 7-Commitments and Contingencies

NOTE 6 – INTELLECTUAL PROPERTY (Restated)

During 2012 Umbra Applied Technologies, Inc. ("UAT") executed five (5) technology purchase agreements with unrelated parties. The buyer (UAT) and seller mutually agreed on the purchase prices which were paid in UAT shares. UAT was acquired by UATG in November 2013. The total purchase price for those assets was \$35,390,000 which was recorded on the UATG financial statements originally as goodwill then amended to Intellectual Property and effective with the September 30,2017 quarterly report restated to include debt associate with the Intellectual property of \$819,650 (Next Cast-\$274,540; Rigid-\$295,000; Palm Beach-\$250,000).

<u>Technology description</u>	<u>Purchase Price</u>
Water Purification and desalination	\$15,000,000
Pegasus Hybrid Project (aerospace technology)	\$10,000,000
BuzzSwat (security technology)	\$2,000,000
Rigid (medical technology)	\$7,000,000
Security, battery and alternative technologies	\$1,390,000
sub-total	\$35,390,000
Associated debt	\$819,650
valuation adjustment	(\$30,922,850)
Net Intellectual Property	\$5,286,800

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NOTE 7- COMMITMENTS AND CONTINGENCIES

The Company purchased a private company in 2013 and had originally accounted for the transaction as a reverse acquisition. Although the Company issued the shares required to complete its side of the transaction it did receive all of the consideration from shareholders of the private company as required in the purchase agreement therefore it treated the undelivered consideration from the share issuance as an expense.

As part of the Company's 2013 purchase of a private company it had agreed to a sub-space lease agreement from a Company formed by the former President which required the Company to make certain payments however since, as noted above, the Company never received all of the consideration from those shareholders of the private company, including the former President, that sub-lease agreement is considered null and void. During the quarter ended September 30, 2017 the Company expensed \$227,500 of previously capitalized leasehold improvements.

NOTE 8- CHANGE OF CONTROL

In October 2013 through the purchase of Intrepid Innovations Corporation, Chuck Winters was deemed to receive 5,000,000 shares of Series A Preferred Stock. These shares include voting rights on an as converted basis of 20:1 which provided Mr. Winters with voting control of the Company at that time.

In January 2014 with the issuance of shares for the purchase of Umbra Applied Technologies, Inc the 5,000,000 shares deemed received by Mr. Winters in the October 2013 transaction were deemed returned and the Company issued 5,000,000 Series A Preferred Shares to Alex Umbra with the same provisions effecting a change of control to Mr. Umbra. The voting rights were subsequently modified to vote as if converted at 50:1.

NOTE 9- LITIGATION

The Company may be party to various legal actions normally associated with its business activities, the aggregate effect on which, in management opinion, would not be material to the future financial condition of the Company.

See also Note 11-Subsequent Event

NOTE 10- STOCKHOLDERS' EQUITY

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The Company has the following share structure:

	<u>Common</u>	<u>Preferred A</u> 50:1 voting	<u>Preferred B</u> 20:1 conversion
Shares outstanding, December 31, 2015	38,447,832	5,000,000	5,589,607
Shares issued for cash	3,019,243	-0-	-0-
Shares issued on conversion from B to Common	38,658,975	-0-	(1,932,948)
Shares issued for services	36,150,150	-0-	3,156,563
Reduction of B shares	<u>-0-</u>	<u>-0-</u>	<u>(6,842,532)</u>
Shares outstanding, December 31, 2016	<u>116,276,050</u>	<u>5,000,000</u>	<u>690</u>
Shares issued on conversion from B to Common	-0-	-0-	-0-
Shares issued for cash	240,507,289	-0-	-0-
Shares issued for services	<u>17,000,000</u>	<u>10,000,000</u>	<u>-0-</u>
Shares outstanding, December 31, 2017	<u>373,783,339</u>	<u>15,000,000</u>	<u>690</u>
Subsequent to December 31, 2017			
Shares issued for cash	-0-	-0-	-0-
Shares issued for services	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Shares outstanding, January 22, 2018	<u>373,783,339*</u>	<u>15,000,000</u>	<u>690</u>

*As of January 22, 2018 the Company has reserved 26,216,661 shares for future issuance to fulfill various commitments which are not included in the shares outstanding

NOTE 11- SUBSEQUENT EVENTS

On January 24, 2018 the Company received a Florida State court approval of a settlement and stipulation (Case 2018 CA 408) for the satisfaction Company debt in the amount of \$113,325 through the issuance of shares which will be exempt from SEC registration in reliance upon Section 3 (a) (10) of the Securities Act based upon the Courts finding. The agreement provides the shares will be issued at a 50% to the market price as defined in the agreement, and the owner may not own more than 9.9% at the time of issuance. As part of that agreement the Company has reserved 375,000,000 of its shares with its stock transfer agent. In order to comply with the court, order the Company has agreed to increase its common shares to 1,000,000,000. The Company also issued 10,000,000 shares of its stock as a fee to a third party for services in connection with that agreement and court process.

The Company has reviewed subsequent events up to and including the issuance date of these statements, and determined that except for those events disclosed herein, no additional subsequent events have occurred.

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Item 6 Describe the Issuer's Business, Products and Services

Umbra Applied Technologies Group (OTC: UATG) has a family of companies. Umbra Applied Technologies, U.S. based Defense and Security Company, is engaged in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products, and services for defense, civil, and commercial applications in United States and internationally. It also provides management, engineering, technical, scientific, logistic, and information services.

The company operates in five segments: Aeronautics, Information Systems & Global Solutions, Biotech, Alternative & Renewable Energy, and Intelligence Systems. The Aeronautics segment offers military aircrafts, such as unmanned combat and air mobility aircrafts, and related technologies. The Information Systems & Global Solutions segment provides advanced technology systems and security expertise, integrated information technology solutions, and management services for civil, defense, intelligence, and other government customers. The Biotech segment addresses critical gaps that are absent in applied medical programs. The Alternative & Renewable Energy segment provides alternative solutions to energy through using existing applied research in bioelectricity, wind, thermodynamic and solar energy. The Intelligence segment provides computational study of signals, open source and network intelligence through advanced metrics and algorithms to locate and extract sentiment from gathered intelligence

- A. Incorporated: April 13, 2009 Delaware
- B. Secondary SIC Codes: 6719
- C. Fiscal year end date: December 31st

In 2017 UATG launched it's Hygiea Product line (part of Biotech segment)

Hygiea's powerful technology inhibits the growth of bacteria on fabrics, eliminating human-based odor for the life of the garment. Hygiea textiles are made by permanently bonding 99.9% metallic silver to the surface of a fiber. It is not a nanotechnology or a complex chemical formula, just pure silver. The permanent performance of Hygiea keeps our products smelling fresher for longer, even after multiple wear cycles between laundering. Hygiea textiles are precisely engineered to feature a 100% coverage area of silver on the fiber to maximize performance, but remain soft, flexible and comfortable. Through this strategic partnership, Hygiea's underlying technology is registered as an antimicrobial with the US EPA, is OEKO-TEX[®] Standard 100 certified and is used in dozens of FDA approved products. Never before has so much research and advanced textile engineering technology been applied to textiles to include something so simple as a bed sheet, underwear or socks.

Hygiea has many applications across many market segments:

Medical industry (sheets, privacy curtains, window drapes, nurse scrubs, lab coats etc.)

Bedding

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Children's bedding, clothing and toys
Cloth Diapers
Athletic wear
Men's underwear
Military textiles (uniforms, specialty products etc.)

In addition, when Hygieia textiles are configured differently they can be designed to conduct electricity and even transfer data. We refer to this product as SmartX and we are currently conducting research on its many military and technology applications with our Applied Sciences Division

Item 7 Describe the Issuer's Facilities

Corporate office and the Umbra Arms Facility (Operations, Storage and Future Manufacturing) are located at:

Umbra Applied Technologies Group, Inc.
4377 Commercial Way
Suite 130
Spring Hill FL 34606

Item 8 Officers, Directors, and Control Persons

Alex Umbra	CEO / Chairman Of The Board-Sole Director
Thomas L. Crom	CFO

Legal/Disciplinary History.

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses:

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities:

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities

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regulator of a violation of federal or state securities or commodities law, which finding, or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None

C. **Beneficial Shareholders.** Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Common Shares--(based on 373,783,339 Common Shares outstanding as of January 22, 2018.

<u>Name</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>% of Common Shares</u>
Alex Umbra C/O Umbra Applied Technologies, Inc. 4377 Commercial Way Suite 130 Spring Hill FL 34606	25,000,001 Common (1)	6.69%
Cede & Co 570 Washington Blvd Jersey City, NJ 07310	238,983,337 Common (2)	63.94%
Thomas L. Crom C/O Umbra Applied Technologies, Inc. 4377 Commercial Way Suite 130 Spring Hill FL 34606	500,000 Common (3)	0.13%
Ferndale Family Trust C/O Umbra Applied Technologies, Inc. 4377 Commercial Way Suite 130 Spring Hill FL 34606	23,571,429 Common (4)	6.31%

(1) Mr. Umbra is the President, Chief Executive Officer ("CEO") and sole director of the

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Company. All of the shares owned by Mr. Umbra are owned directly.

(2) Cede & Company operates as a clearing house for stock transactions. The company was founded in 1996 and is based in New York, New York. Cede & Company operates as a subsidiary of the Depository Trust Company. Cede holds these shares on behalf of undisclosed beneficiaries.

(3) Mr. Crom is the Chief Financial Officer (“CFO”) of the Company. All of the shares owned by Mr. Crom are owned directly. Mr. Crom disclaims any ownership of the shares owned by his spouse transferred pursuant to a divorce.

(4) To maintain shareholder privacy the Company used its address.

Preferred Series A--(based on 15,000,000 Preferred Series A outstanding as of January 22, 2018.

Each share of Preferred Series A is entitled to 50 votes per share.

<u>Name</u>	<u># of Preferred Series A</u>	<u>% of Preferred Series A</u>
Alex Umbra C/O Umbra Applied Technologies, Inc. 4377 Commercial Way Suite 130 Spring Hill FL 34606	15,000,000 Series A	100%

Preferred Series B--(based on 690 Preferred Series B outstanding as of January 22, 2018

Preferred Series B can be converted into Common shares at the rate of 20:1 subject to 1% of the outstanding common shares outstanding per quarter.

<u>Name</u>	<u># of Preferred Series B</u>	<u>% of Preferred Series B</u>
Alex Umbra C/O Umbra Applied Technologies, Inc. 4377 Commercial Way Suite 130 Spring Hill FL 34606	319 --Series B	46.23%
Chuck Winters 5604 18 th Avenue East Bradenton, FL 34208	140 --Series B	20.29%
Justin Herman 5604 18 th Avenue East Bradenton, FL 34208	78 --Series B	11.30%
Edwin Payne 1201 S. Texas Blvd Weslaco, TX 78596	73 --Series B	10.58%

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Item 9 Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

None

Accountant:

None

Investor Relations Consultant:

Firm Name:	Everest Corporate Advisors, Inc.
Individual Name:	Steffan Dalsgaard
Address 1:	5030 Paradise Rd
Address 2:	Suite A106
Phone:	702-902-2361
Email:	None
Website:	https://everest-corporate-advisors-nv.hub.biz

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

None

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as of the end of the period covered by this report. Based on this evaluation, our management concluded as of the evaluation date that our disclosure controls and procedures were not effective such that the material information required is accumulated and communicated to our management recorded, processed, summarized and reported within the time periods specified by regulatory bodies, such as the OTC markets and forms relating to our company, particularly during the period when this report was being prepared.

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Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our company.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of its management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Management recognizes that there are inherent limitations in the effectiveness of any system of internal control, and accordingly, even effective internal control can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect material misstatements. In addition, effective internal control at a point in time may become ineffective in future periods because of changes in conditions or due to deterioration in the degree of compliance with our established policies and procedures.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in there being a more than remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Under the supervision and with the participation of our management conducted an evaluation of the effectiveness of our internal control over financial reporting, as of December 31, 2017, based on the framework set forth in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under this framework, management concluded that our internal control over financial reporting was not effective as of the evaluation date due to the factors stated below.

Management assessed the effectiveness of our company's internal control over financial reporting as of evaluation date and identified the following material weaknesses:

Insufficient Resources: We have an inadequate number of personnel with requisite expertise in the key functional areas of finance and accounting.

Inadequate Segregation of Duties: We have an inadequate number of personnel to properly implement control procedures.

Lack of Audit Committee and Outside Directors on our Company's Board of Directors: We do not have a functioning audit committee or outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures.

Management is committed to improving its internal controls and will (1) continue to use third party specialists to address shortfalls in staffing and to assist our company with accounting and finance responsibilities, (2) increase the frequency of independent reconciliations of significant accounts which will mitigate the lack of segregation of

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duties until there are sufficient personnel and (3) may consider appointing outside directors and audit committee members in the future.

Management, including our chief executive officer (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), has discussed the material weakness noted above with our advisors. Due to the nature of this material weakness, there is a more than remote likelihood that misstatements which could be material to the annual or interim financial statements could occur that would not be prevented or detected.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this annual report.

Changes in Internal Controls over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter from our fiscal year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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10) Issuer Certification

I, Alexander L. Umbra certify that:

1. I have reviewed this December 31, 2017 Report on Disclosure of Umbra Applied Technologies Group, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

“/s/ Alexander L. Umbra”

Chief Executive Officer and Chairman of the Board of Directors

Dated: January 25, 2018