



Umbra Applied Technologies Group | 51 JFK Parkway | First Floor West | Short Hills NJ 07078 | Office 973-218-2626 | Fax 973-218-2400

BY EMAIL

July 19, 2016

UATG Shareholders

Re: Umbra Applied Technologies
Umbra Applied Technologies Group
UATG CEO Letter State of Business Execution

Fellow Shareholders,

Over the past 34 months, senior management has been extremely active, investing more than hundred thousand man hours and \$5 Million Dollars and to capitalize, structure and build our company from the ground up. We have purchased technology and more than five companies totaling \$23 million dollars in acquisition costs without increasing our debt. We have improved operations by building a staff with some of the best and brightest experts in their respective fields. Our team is developing a world-class intellectual property portfolio that is pressing the development of many paradigm-shifting products. The past 300 days we have been very active in refocusing the company's efforts and transitioning the company from a pure research and development posture, into a company that is on the precipice of monetizing its full potential. We expect to achieve some very significant milestones over the next several months which is why I thought it might be timely to send out a letter outlining what to expect.

Umbra Applied Technologies Group (UATG) is a growing company that is now starting to gather a lot of momentum. As many of you are aware, we began construction several months ago on a secured office location that will house and support secured operations. As of today we anticipate that location to be complete and operational within 5 weeks. This site is located in a highly secured office building shared with Federal Law Enforcement Agencies and will be home to some of the most advanced products in the world.

Today, we are announcing an array of changes in UATG that will initiate a new approach to hiring protocols established within UATG employment opportunities programs. We are pursuing comprehensive changes to our hiring, training, compensation, and work force management programs. In addition, we have begun to streamline and consolidate individual locations that will be sustainable over the long term and will improve overall corporate revenue. One of the most immediate changes is that we have begun to focus heavily on hiring prior military and law enforcement professionals with existing security clearances and experience. This will save the company on valuable training time in addition to reducing, and in many instances eliminating entirely, costs associated with getting potential employees expensive high level security clearances. I'm also excited about an innovative program that we are launching for future employees which will directly align salaries and bonuses to the performance



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of the company that they are helping to build. Every team member at UATG is considered to be and treated like family. We look out for one another and everyone invested in or employed at UATG, matters. There will be no better company in the world to learn, grow, and build a career than Umbra Applied Technologies Group.

As important as efficiency is, it is my belief that growth opportunity and corporate culture are equally if not more important. We will continue to provide a clear path to those wishing to move up within the company and I believe that any company truly looking to evolve and change the world in a way that only UATG can, must provide a myriad of opportunities to their employees to continue education, extend training and cultivate a corporate mindset of innovation. Employees within a technology and defense company cannot afford to be stagnant or complacent, they must be dynamic individuals always reaching to become a better version of themselves so the company can evolve and be ahead of future technological trends and needs. The only limits on our capabilities should be those in which we impose on ourselves based on corporate ethics and governance. Innovation tempered with integrity is what makes UATG so special. I have witnessed it, I have experienced it and more to the point, I want nothing more than for every UATG family member today to feel that same connection to the company that I feel and to have the same opportunities I have had.

Today, as the company grows and adds employees, the job of the CEO has evolved considerably. The singular vision and vantage point of the position has expanded beyond static team building. It's evolved to include, with more focus, the fostering of an innovative corporate culture while continuing to hire people who are extraordinarily talented, compliment corporate vision and contribute to project efforts. My challenge is to empower those people to lead and grow, while coordinating everyone around our common corporate objectives, to ensure that our company and shareholder value continue to grow stronger. Be assured that as we grow, we will not lose the ethos that earned us trust in the marketplace with customers and vendors alike but, most importantly, in the hearts and minds of our shareholders.

In addition, I urge everyone to sign-up/opt-in to our e-mail list so that you can always stay up to date on the latest news from UATG. To opt-in and become part of the UATG experience simply follow the link <http://uatgroup.com/chairmans-letters/> and fill out field on the right under "Get Chairman's Letters & News by E-mail" or If you have any questions about our improved social media presence, please visit <http://uatgroup.com/faq/> .

Sincerely,

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



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About Umbra Applied Technologies, Inc.

Umbra Applied Technologies is a member of the Umbra Applied Technologies Group (OTC: UATG) 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.

In support of air, land and naval forces, 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 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 sentiment from gathered intelligence.

For more information visit www.umatgroup.com or www.umbraappliedtechnologies.com

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Forward-Looking Information

This news release may include "forward-looking statements" including forecasts, estimates, expectations, and objectives for future operations including but not limited to its ability to conclude a business combination with a third party, sale of assets, return of capital or initial public offering and a secondary listing on the OTC as a result of aforementioned and its ability to fund the exploration of its assets through the raising of equity or debt capital or through funding by a joint venture partner that are

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subject to a number of assumptions, risks, and uncertainties, many of which are beyond the control of Umbra Applied Technologies including but not limited to capital markets and securities risks and continued development success on technology. There can be and are no actual or implied guarantees that any of the above activities will be completed or completed on terms acceptable to the Company and its shareholders or approved by any regulatory authority having jurisdiction. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. Risks and uncertainties about Umbra Applied Technologies business are more fully discussed in the company's disclosure materials, including its MD&A, filed with the securities regulatory authorities in Canada and available at www.sedar.com and readers are urged to read these materials. Umbra Applied Technologies does not assume the obligation to update any forward-looking statement, except as required by applicable law.

