

MathEngine PLC
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5th June 2020

Dear Shareholder,

We have pleasure in publishing our Company's latest Strategic Report, the Report of the Directors and the Financial Statements for the year ended 31st December 2019 on our MathEngine PLC ("MathEngine") web-site, at www.mathengineplc.com.

You will also find on our updated web-site, Notice of the twenty-second (22nd) MathEngine AGM to be held at the Company's registered office at Sterling House, 19-23 High Street, Kidlington, Oxford OX5 2DH at Noon (12.00) on Monday 29th June 2020, a downloadable and printable Attendance Card, and a Form of Proxy in respect of the forthcoming AGM.

Value of the Company's portfolio

During the twelve months period to 31st December 2019, the value of our Company's assets decreased by a marginal point seven per cent (-0.71%) to £769,498.

This was net of our requirement to reserve £51,444 for payment of UK corporation tax levied on our substantial capital gain realised in the previous year on our shareholding in Vena Solutions.

At the year-end, we held cash amounting to 15.8% of our net assets, and on a per share basis, MathEngine's Ordinary Shares had an approximate net asset value of 3.18 pence per share.

Investments

Registered Office:

MathEngine PLC
Sterling House
19-23 High Street
Kidlington
Oxfordshire OX5 2DH

Director:

D. J. N. Nabarro

Company Registration No.: 3334206

We continue to hold a significant investment in Vena and, despite the extraordinary impact of Covid-19 on so many of our lives, Vena, according to recent reports from its management, as a tech company continues to prosper.

During the year we backed an impressive Australian management team by making a substantial investment in Balamara Resources, their Polish coking (metallurgical) coal mining venture, and I look forward to reporting further on their progress during the coming months.

We also made two loans to undoubted individuals at an average annual interest rate of 14.4%, one of which has been repaid in full since the year-end and the other one of which is current and will be repaid later in the year.

Portfolio policy

MathEngine has no debt and with significant cash in hand, currently circa 37% of our net assets, we continue to seek other interesting and potentially profitable investment opportunities for our Company.

New Articles of Association

We recently reviewed our Company's Articles of Association and in doing so realised that document was last amended in November 1999 and refers to the now out of date UK Companies Acts of 1985-1989. We therefore propose to update our articles in line with modern best practice and are submitting a special resolution at our forthcoming AGM on Monday 29th June to replace our existing old articles with a modern and relevant version.

Your board have been careful to ensure that all our shareholders will continue to benefit from the same protections as before and intend to vote in favour of the special resolution in respect of their own shareholdings of 5,963,300 ordinary shares (27.12%) in MathEngine.

Repurchase of shares

During the year, the El Oro Group, a long-time shareholder in MathEngine was liquidated, and we were able, by moving quickly, to repurchase the 3,939,282 MathEngine ordinary shares it owned (circa 15.17%) for just £14,950 or circa 0.38p per share. That purchase price was a discount of circa 88% to our Company's Net Asset Value. These purchased shares have been subsequently cancelled making the transaction materially value accretive for all of MathEngine's shareholders and we are now seeking retrospective approval for this purchase. Again, your board intend to vote in favour of this special resolution in respect of their own shareholdings in MathEngine.

Our Registrars

We continue to receive good service from our registrars, Link Asset Services, and any Shareholder having a query re. their shareholding in MathEngine PLC should write to or e-mail Aydin Djemal at Link (aydin.djemal@linkgroup.co.uk) as follows:

Mr. Aydin Djemal
Link Asset Services Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Change of Director and our Advisers

I record my gratitude to my boardroom colleague, William Wells, for his sound and entrepreneurial counsel during the year. Because of his increasing work-load pressure, exacerbated by the Covid-19 lockdown, William tendered his resignation as a non-executive director of MathEngine PLC as from Monday 30th March 2020, and we are in active discussions for the appointment of one or more new non-executive directors.

I also thank Rodney Style and his team, our auditors at Haines Watts Oxford, Chartered Accountants, for their help and advice with our Company's accounts.

Shareholder communication

In the interests of carefully husbanding our resources, we communicate with you our shareholders via our detailed and disclosing www.mathengineplc.com web-site, which we endeavour to keep both informative and up to date.

Conclusion

We look forward to reporting further to you at our forthcoming AGM on Monday 29th June and in the meantime hope you will all keep safe and well during these strange and disconcerting times.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'David Nabarro', with a long horizontal flourish extending to the left.

David Nabarro
Director