

MathEngine Limited
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Melbury Osmond
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16th August 2021

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 2020 on our MathEngine Limited ("MathEngine") web-site, at www.mathenginelimited.com.

You will also find on our updated web-site, Notice of the first and twenty-third (1st and 23rd) 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 20th September 2021, a Form of Proxy and a downloadable and printable Attendance Card, and in respect of the forthcoming AGM.

Value of the Company's portfolio

During the twelve months period to 31st December 2020, the value of our Company's assets decreased by five point four per cent (-5.4%) to £727,693, and at the year-end, we held cash amounting to 3.5% of our net assets, so that on a per share basis, MathEngine's Ordinary Shares at that date had an approximate net asset value of 3.31 pence per share.

However, during the subsequent two and a half quarters to 20th July 2021, the value of our portfolio increased significantly by 27.3% to £926,433 or approximately 4.21 pence per share.

Investments

We continue to hold a very significant (33.5% of our portfolio) investment in Vena Solutions, whose value at the latest indicative bid price had increased since we originally invested in the company in Q3 2014 by a satisfying 7.7 x's.

Registered Office:

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

Director:

D. J. N. Nabarro
C. R. Woodbine Parish

Company Registration No.: 3334206

Our other significant investment, in the Australian management-led, Polish coking (metallurgical) coal company, Balamara Resources, has to date, despite management's best efforts, been beset by bureaucratic delays in granting a mining licence to commence operations at its Nowa Ruda site in western Poland.

However, the newly appointed non-executive director, Philipp von Bernstorff, has done an outstanding job in sponsoring negotiations directly with the relevant Ministry in Warsaw, and with all the relevant boxes now ticked, we expect to hear news of the grant of the mining licence in the very near future.

I would add that, coking coal, which is required for the production of steel, the core element for the construction industry, is, unlike dirty thermal coal, defined by the EU as a strategic asset, and because of scarcity and declining global production, the price of coking coal has soared in recent months, so we continue to be optimistic that our faith will be rewarded.

Recent performance

The recent strong performance of our portfolio has been assisted inter alia by (a) a sharp 80% increase this year in the carrying value of our residual shareholding in Vena Solutions, the Canadian planning software business, (b) a more than 70% increase in the value of our shareholding in Darktrace PLC, the newly listed AI and cyber intelligence company, (c) the repayment in full in cash plus all interest at 10% plus, of a £200,000 loan we made last year, and (d) the sudden revival in the fortunes of Cashmere Iron, an Australian iron ore company, where we have a small shareholding we had previously virtually written off.

Portfolio policy

MathEngine has no debt and with significant cash in hand, currently circa 10% of our net assets, we continue to seek other interesting and potentially profitable investment opportunities for our Company.

Change of Director

During the year we were delighted to welcome the redoubtable and very experienced Robin Woodbine Parish as a non-executive director of MathEngine Limited, and I record my gratitude to him for his sound and knowledgeable counsel.

Change of Accountant

We also welcome George Style, our new auditor, who has replaced his father Rodney as a partner at Haines Watts Oxford, Chartered Accountants, who handle our audit work.

Over many years we benefitted from Rodney's good and valuable advice, and we now look forward to working with George and his team.

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

Shareholder communication

In the interests of carefully husbanding our resources for the benefit of our shareholders, we continue to communicate via our detailed and disclosing www.mathenginelimited.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 20th September and in the meantime hope you will all keep safe and well during these continuingly strange and worrying resurgent Covid times.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'David Nabarro', with a stylized flourish at the end.

David Nabarro
Executive Director