Mr Omesh Motiwalla
CFO and company secretary
GR Engineering Services (GNG)

By email to omesh.motiwalla@gres.com.au on September 27, 2026

Hi Omesh,

I'm a shareholder in GR Engineering Services (GNG) but was not eligible to participate in the latest SPP. I'm also an advocate for retail shareholders who particularly focuses on reducing unfair treatment in capital raisings.

This email is being sent to you as the point of contact listed at the bottom of GNG ASX announcements. Could you please forward it to all relevant GNG decision makers on the question of whether to uncap the $10m SPP which closed on September 23.

Firstly, thank you for offering retail shareholders an SPP as part of the latest $110 million capital raising. Whilst this is clearly better than this shamefully long list of companies which have done stand-alone placements with no SPP at all, the proposed $10 million SPP component is too small relative to the $100 million institutional placement.

This is what is currently published about your raising on this public list on my website summarising all capital raisings above $15 million by ASX listed companies since 2020:

September 23, 2026: GR Engineering Services (GNG): *completed a $100m placement at $6.10, a 3.3% discount to the previous close of $6.31, with a $10m SPP to come. With 5,458 shareholders, the theoretical maximum in SPP applications is $163.7m so the $10m cap is a bit skinny. Wrote to them on September 27 requesting the SPP be expanded to $30m. Argonaut was paid the 2.5% fee with provision for a 0.5% bonus. The stock closed at $7.66 on September 25 giving it a market cap of $1.44 billion.*

Ends

The $10 million cap is so restrictive that if just 333 or 6.1% of the 5,458 shareholders apply for the maximum $30,000, that will soak up the entire $10 million SPP allocation. Clearly, the proposed cap is too low and the allocation to retail of just 9.1% of a $110 million capital raising should be substantially lifted.

As a rule of thumb, SPPs should anticipate at least 20% participation and the placement-SPP split should also at least reflect the situation before the raising was announced, in order to prevent any collective dilution between the institutional and retail shareholder classes.

For instance, if retail shareholders as a whole owned 23% of GNG before the placement was announced, then the SPP should be a least 23% of the overall raising which would be $30 million out of $130 million. I personally think an increase in the cap to $30 million would be appropriate, if demand is strong.

If there is going to be a scale back, there should ideally be a minimum allocation such as $500 for all applicants, in order to reduce the number of holders with an unmarketable parcel. Here is a list of 19 examples of capital raisings by ASX listed companies where there was a minimum allocation before a pro-rata scale back was applied.

After that, a pro rata allocation based on size of holding is fair. Alternatively, you could choose to favour your smaller and poorer retail shareholders by scaling back based on size of application like the many companies on this list.

Whatever you do, please spell out the scale back formula clearly in the SPP outcome announcement.

Once again, I would appreciate an acknowledgement that this email has been received and forwarded to the relevant parties and look forward to seeing the ASX announcement this week about the hopefully expanded and uncapped SPP.

I will be commenting about your decision on Twitter, in my next *Intelligent Investor* column (see previous 200-plus columns) and also will potentially raise the issue at this year's AGM or even nominate for the board if your treatment of retail shareholders is particularly egregious.

If you would like to discuss this matter, feel free to contact me via this email address or by telephone.

Thank you for your consideration.

Kind regards
Stephen Mayne
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Retail Shareholder Advocate
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