
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

ACTION REQUIRED BY SHAREHOLDERS:

- Shareholders should note that whilst this entire Circular is important and should be read in its entirety, particular attention should be paid to the section titled **“Action required by Shareholders”** commencing on page 2 of this Circular.
- If you are in any doubt as to what action to take in relation to this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisors immediately.
- If you have disposed of all of your Shares, please forward this Circular and the attached Form of Proxy (*grey*) to the purchaser of such Shares or to the CSDP, Broker, banker, attorney, accountant or other professional advisors through whom the disposal was effected.

Runway does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Shareholder to notify such Shareholder of the General Meeting, or any business to be conducted thereat.



RUNWAY PROPERTY GROUP LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2019/547292/06
Share code: ZXRPG ISIN: ZAE ZAEZ00000059
("Runway" or "the Company")

CIRCULAR TO RUNWAY SHAREHOLDERS

regarding:

THE DECLARATION OF A CASH DIVIDEND WITH THE ELECTION TO RE-INVEST THE CASH DIVIDEND IN RETURN FOR RUNWAY SHARES



ISSUER AGENT

Date of issue: 13 June 2023

This circular is only available in English. Copies of this circular may be obtained from the registered offices of Runway, 22 Stirrup Lane, Woodmead Office Park, Woodmead, 2191, during normal office hours 08h00 until 16h00 from Tuesday, 13 June 2023 to Tuesday, 20 June 2023 (both days inclusive).

The circular will also be available on the website of the company's website (www.runwaypropertyGroup.co.za) from Tuesday, 13 June 2023.

ACTION REQUIRED

1. **No action is required if you wish to receive the cash dividend as you will be deemed to have elected the cash dividend if you do not elect the re-investment option.**
2. Holders of Runway Property Group Limited (“**Runway**”) ordinary shares of no-par value (“**shares**” or “**ordinary shares**”) are afforded the opportunity to re-invest the cash dividend declared by the directors in respect of the ordinary shares for the year ended 28 February 2023 (the “**cash dividend**”), in return for new ordinary shares, as the case may be (the “**re-investment option**”).
3. If you wish to re-invest the cash dividend in return for the allotment and issue of new ordinary shares, you must instruct your Central Securities Depository Participant (“**CSDP**”) or broker accordingly in terms of the custody agreement entered into between you and your CSDP or broker.
4. If you have disposed of all your shares on or before Tuesday, 13 June 2023, you should forward this circular, together with the attached form of election, to the purchaser to whom, or the broker, CSDP or agent through whom, you disposed of your shares.
5. The commentary regarding the tax implications of the cash dividend and the re-investment option, as contained in paragraph 5 of this circular, should not be construed as tax advice. If you are in any doubt as to the tax implications for your unique circumstances, please consult your tax advisor.
6. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant, or other professional advisor.

SALIENT DATES AND TIMES

	2023
Publication of Runway results, including the declaration of an interim distribution published on the CTSE Announcements	Wednesday, 31 May
Circular posted to shareholders	Tuesday, 13 June
Finalisation of information, including the share ratio and re-investment price per share, published on the CTSE Announcements by 10h00	Friday, 23 June
Last day to trade in order to participate in the election to receive shares in terms of the re-investment option or to receive a cash dividend (“ LDT ”)	Tuesday, 4 July
Shares trade ex-dividend	Wednesday, 5 July
Last day to elect to receive shares in terms of the re-investment option or to receive a cash dividend (no late forms of election will be accepted) at 10h00	Thursday, 6 July
The record date for the election to receive shares in terms of the re-investment option or to receive cash dividend (“ record date ”)	Friday, 7 July
Listing of the maximum number of shares under the re-investment option	Monday, 10 July
Announcement of results of cash dividend and re-investment option released on CTSE Announcements	Wednesday, 12 July
Dematerialised Shareholder’s CSDP or broker accounts credited with the cash dividend payment	Friday, 14 July
Dematerialised Shareholder’s CSDP or broker accounts credited with the new shares	Tuesday, 18 July
Adjustment to the number of shares listed on or about	Wednesday, 19 July

Notes:

1. Shareholders electing the re-investment option are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3, due to the fact that settlement of the shares will be three days after the record date, which differs from the conventional one day after record date settlement process.
2. Shares may not be dematerialised or rematerialised between Wednesday, 5 July 2023 and Friday, 7 July 2023, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on CTSE Announcements.

CIRCULAR TO RUNWAY SHAREHOLDERS

1. INTRODUCTION

Runway's results for the year ended 28 February 2023 were released on the CTSE Announcements on Wednesday, 31 May 2023. Runway's shareholders were advised in the announcement accompanying the results that the directors of Runway have declared a cash dividend of 87.14 cents per ordinary share of no-par value for the year ended 28 February 2023 (the "**cash dividend**"). Shareholders are provided with the election to re-invest the cash dividend in return for new ordinary shares (the "**re-investment option**"). By electing the re-investment option, shareholders will be able to increase their shareholding in Runway without incurring dealing costs. In turn, Runway will benefit from an increase in the number of shareholders' funds available to support continued growth.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the re-investment option, failing which, they will receive the cash dividend of 87.14 cents per share that will be paid to those shareholders not electing to participate in the re-investment option. The number of shares to which shareholders are entitled will be determined with reference to the ratio that 87.14 cents per share bears to the re-investment price. The re-investment price will be determined by Runway with reference to the market conditions at the time, including up to a 3% discount determined with reference to the spot price per Runway share (less the cash dividend) and/or the volume weighted average traded price per Runway share for up to 30 days prior to the finalisation date (less the cash dividend). The re-investment price will be announced on CTSE Announcements on the finalisation date, which will be no later than 10h00 on Monday, 10 July 2023.

The board of directors of Runway, in its discretion, may withdraw the re-investment option should market conditions warrant such action and such withdrawal will be announced on the CTSE Announcements by no later than 10h00 on Friday, 23 June 2023.

2. PURPOSE OF THIS CIRCULAR

The purpose of this circular is to provide shareholders with information regarding the cash dividend and the re-investment option.

3. THE CASH DIVIDEND AND THE RE-INVESTMENT OPTION

3.1 Terms of the cash dividend

Subject to the terms contained in this circular, shareholders recorded in the register of Runway at the close of business on the record date who have not elected to participate in the re-investment option, will be paid the cash dividend.

3.2 Procedure for shareholders to receive the cash dividend

Shareholders who wish to receive the cash dividend do not need to take any further action. If no election is made to participate in the re-investment option, shareholders will receive the cash dividend in respect of all the shares held on the record date.

3.3 Procedure for shareholders who elect the re-investment option

Shareholders who have dematerialised their shares through a CSDP or broker should instruct their CSDP or broker regarding their election in terms of the custody agreement entered into between them and their CSDP or broker.

Shareholders may make the election in respect of all, or part of their shares held on the record date. If an election is made in respect of part of a shareholding, shareholders will receive the cash dividend in respect of the shares for which the election is not made.

Shares issued in terms of the re-investment option will be issued in dematerialised form only. No certificated shares will be issued.

4. FRACTIONS

Trading in the Strate environment does not permit fractions and fractional entitlements. Accordingly, where a shareholder's entitlement to the shares in relation to the re-investment option calculated in accordance with the formula mentioned in paragraph 1 above gives rise to an entitlement to a fraction of a new share, such fraction will be rounded down to the nearest whole number with the cash balance of the dividend being retained by the shareholders.

5. TAX IMPLICATIONS

Runway is listed on the Cape Town Stock Exchange ("**CTSE**") as a Real Estate Investment Trust ("**REIT**") in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the "**Income Tax Act**") and section 17 of the CTSE Listing Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The cash dividend of 87.14 cents per share meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act ("**qualifying distribution**") with the result that qualifying distributions received or accrued to a

shareholder must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because such qualifying distributions are distributed by a REIT. These qualifying distributions are, however, exempt from dividends withholding tax in the hands of shareholders, provided that such shareholders provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the company, in respect of certificated shares:

- a declaration that the dividend is exempt from dividends tax; and
- a written undertaking to inform the CSDP, broker or the company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service (“SARS”). Shareholders are advised to contact their CSDP, broker or the company, as the case may be, to arrange for the abovementioned documents to be submitted prior to the payment of the dividend if such documents have not already been submitted.

Shareholders are advised that in electing to participate in the re-investment option, pre-taxation funds are utilised for the purposes and that taxation will be due on the total cash dividend amount of 87.14 cents per share.

Other information:

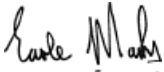
- The issued ordinary share capital of Runway is 47 995 092 ordinary shares of no par value before any election to re-invest the cash dividend.
- Income Tax Reference Number of Runway: 9596/960/18/8.

This cash dividend or the re-investment option may have tax implications for shareholders. Shareholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

6. LISTING OF NEW RUNWAY SHARES

Application will be made to the CTSE for the maximum number of shares to be issued in terms of the re-investment option to be listed with effect from the commencement of trade on Thursday, 6 July 2023. A further application will be made to the CTSE to adjust the maximum number of new shares listed to take into account the actual number of shares issued to shareholders on or about Monday, 10 July 2023.

For and on behalf of
Runway Property Group Limited



Mark Earle
Chief Executive Officer



RUNWAY PROPERTY GROUP LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 2019/547292/06
Share code: ZXRPG ISIN: ZAE ZAEZ00000059
("Runway" or "the Company")

RUNWAY SHARES: RE-INVESTMENT OPTION

ELECTION TO RE-INVEST THE CASH DIVIDEND IN RETURN FOR RUNWAY SHARES

Dematerialised Shareholders who wish to re-invest the cash dividend in return for Runway shares are required to notify their duly appointed CSDP or broker of their election in the manner and the time stipulated in the Agreement governing the relationship between such Shareholders and their CSDP or broker. Please refer to paragraph 3 of the Circular to which this Form of Election is attached ("Circular").

CONTACT DETAILS

Transfer Secretaries

CTSE Registry, Cape Town Stock Exchange

5th Floor
68 Albert Road
Woodstock
7925

Tel: + 27 11 100 8352 or (available between 08h00 and 16h30),
Email: admin@ctseregistry.co.za

CSDP

Computershare Investor Services (Pty) Limited

Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Tel: + 27 11 370 5000 (available between 08h00 and 16h30)
Email: to.proxy@computershare.co.za

INSTRUCTION TO TRANSFER SECRETARIES

I HEREBY INSTRUCT THE CAPE TOWN STOCK EXCHANGE REGISTRY TO ACCEPT MY INSTRUCTION TO REINVEST MY DIVIDEND IN RETURN FOR RUNWAY SHARES:

FULL NAMES:	
TELEPHONE NUMBER:	
EMAIL ADDRESS:	
NUMBER OF SHARES HELD:	
SIGNED:	

Notes:

- Shareholders do not have to complete the above form but must include the indicated detail in the instruction to the Transfer Secretaries.
- If the Shareholder is a legal entity, a resolution signed by the Directors/Officers of the entity should accompany the instruction.
- A copy of the Identity Document of the Shareholder/Representative must accompany the instruction.
- THE TRANSFER SECRETARIES SHOULD RECEIVE YOUR INSTRUCTION BY NO LATER THAN 10H00 ON THURSDAY, 6 JULY 2023. NO INSTRUCTIONS WILL BE RECEIVED AFTER THIS TIME AND DATE.**