

2025-12-24

To:
Israel Securities Authority
www.isa.gov.il

To:
Tel Aviv Stock Exchange Ltd.
www.tase.co.il

Dear Sirs,

Re: Update regarding an immediate report of Alon Blue Square Israel Ltd.

Further to the report of Blue Square Real Estate Ltd. (the Company) from today, December 24, 2025 (reference number: 2025-01-103065), regarding the examination of the possibility of carrying out an offering, the Company is pleased to update as follows:

The parent company and controlling shareholder of the Company, Alon Blue Square Israel Ltd. (Alon Blue Square), has reported, as a precautionary measure, that in light of a request submitted to the District Court against the Company, Extra Living Ltd., Alon Blue Square, and their officers (as detailed in the immediate report of the Company dated September 30, 2025 (reference number 2025-01-072946)), Alon Blue Square and Mr. Moti Ben-Moshe, although rejecting the petitioner's claims in the derivative proceeding, are examining the possibility of offering the Company, beyond the letter of the law, to purchase the activity that is the subject of the claim (along with additional activities).

It is noted that even though the strategy of the Company, as previously discussed by the Board of Directors and communicated to investors in Company reports, is to focus on real estate operations in Israel, should such an offer be received from Blue Square and/or Mr. Moti Ben-Moshe, the Company intends to consider the merits of the transaction and its alignment with the Company's needs, and if required, will present it for review by the various organs of the Company as required by law for a related party transaction.

Should such an offer be received, the Company will report this in an immediate report, subject to the requirements of the law.

It should be noted that the Company is held by Alon Blue Square at a rate of approximately 56.30% and by Mr. Moti Ben-Moshe at a rate of approximately 2.06%.

Respectfully,

Blue Square Real Estate Ltd.

By: Mr. Arthur Leshinsky, CEO