

# BLUE SQUARE REAL ESTATE LTD

Company Number: 513765859

## Immediate Report on Distribution of Cash Dividend for Securities

Regulation 37(a) of the Securities Regulations (Periodic and Immediate Reports), 1970

1. We hereby report that on 25/12/2025, a decision was made to pay a dividend.

2. Record date (ex-date): 06/01/2026

3. Payment date: 20/01/2026

### 4. Payment Details

Eligible Security Number	Security Name	Dividend per Security	Dividend Amount Currency	Payment Currency	Representative Rate for Payment	Individual Tax %	Corporate Tax %
1098565	Ordinary Shares	6.5578270	NIS	NIS	_____	25	0

- The dividend is distributed by an Israeli resident company (composition of the dividend sources and tax rates see section 7a).
- Dividend distributed by a real estate investment fund (composition of the dividend sources and tax rates see section 7c).

Note: The dividend amount to be paid should be specified with a precision of up to 7 digits after the decimal point when the currency is NIS, and up to 5 digits after the decimal point if the dividend amount is in another currency.

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**5. Total Dividend Amount to be Paid: 80,000,000 NIS**

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**6. The corporation's retained earnings as defined in section 302 of the Companies Law, 1999, after the distribution referenced in this report: 3,576,489,000 NIS**

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**7. Procedure for Approving the Dividend Distribution:**

The distribution was approved by the Board of Directors. For more details, see Section 10 below.

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The above distribution is not subject to court approval according to Section 303 of the Companies Law. (Approval: No)

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**The final dividend amount per share is subject to change due to: \_\_\_\_\_**

*The final dividend amount per share can be updated up to 2 trading days before the record date.*

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**8. The following withholding tax rates are for the purpose of executing withholding of tax at the source by exchange members.**

**7a. Dividend Sources (for Israeli companies except REIT funds)**

Source	% of Dividend	Individuals	Companies	Foreign Residents
Corporate taxable income	100	25%	0%	25%
Income originating abroad	0	25%	23%	25%
Approved/Privileged enterprise income	0	15%	15%	15%
Irish privileged enterprise income until 2013	0	15%	15%	4%
Irish privileged enterprise income from 2014	0	20%	20%	4%
Preferred income	0	20%	0%	20%
Approved enterprise (tourism/agriculture)	0	20%	20%	20%
Approved/Privileged enterprise that filed a waiver	0	15%	0%	15%
Distribution classified as capital gain	0	25%	23%	0%
Distributed by Participating Unit	0	0%	0%	0%
Other	0	0%	0%	0%

**Explanations:**

- 1. Corporate taxable income: From profit distribution/dividend originating from income produced in or derived from Israel, received directly or indirectly from another entity taxable under corporate tax law.
- 2. Income originating abroad: Generated outside Israel and not taxed in Israel.
- 3. Includes income from privileged tourism enterprises with the selection/operation year up to 2013.
- 4. Irish privileged enterprise selected up to and including 2013.
- 5. Irish privileged enterprise selected from 2014 onwards.
- 6. Includes income from privileged tourism enterprises with the selection/operation year from 2014 onwards.
- 7. Approved or privileged enterprise submitting waiver notice by 30.6.2015, after withholding corporate tax as required.

**7b. Dividend distributed by a foreign resident company**

Description	Individuals	Companies	Foreign Residents
Dividend distributed by a foreign resident	25%	23%	0%

**7c. Dividend distributed by a real estate investment fund (REIT)**

Source	% of Dividend	Individuals (1)	Companies	Foreign Resident Companies	Exempt Mutual Fund	Provident Fund (2)
From land appreciation, capital gain, and depreciation (3)	—	25%	23%	23%	0%	0%
Other taxable income (e.g., rent)	—	47%	23%	23%	23%	0%
From income-producing real estate for leasing purposes	—	20%	20%	20%	0%	0%
Income taxed by the REIT (4)	—	25%	0%	25%	0%	0%
Extraordinary income	—	70%	70%	70%	60%	70%
Other	—	—	—	—	—	—

Explanations:

1. Individuals - includes taxable mutual funds, and foreign resident individuals.
  2. Provident funds for pension, compensation, as defined in the Income Tax Order, and foreign pension/provident funds resident in a reciprocating state.
  3. From real estate appreciation or capital gain, except from the sale of short-term held real estate and depreciation expenses.
  4. Distribution from income on which tax was withheld by the fund under Section 64A4(e).
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**9. Number of dormant securities of the corporation not entitled to dividend payment and for which a waiver letter for dividend payment must be provided: \_\_\_\_\_**

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**10. The impact of the dividend distribution on convertible securities:**

- The company has no convertible securities.
  - The dividend distribution does not affect convertible securities.
  - The impact of the dividend distribution on convertible securities is as follows: \_\_\_\_\_
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**11. Recommendations and decisions of the directors with respect to the dividend distribution per Regulation 37(a)(1) of the Securities Regulations (Periodic and Immediate Reports), 1970:**

1. The Company’s Board of Directors reviewed the Company's compliance with the profit and solvency tests as set by section 302(a) of the Companies Law, 1999, and accordingly approved compliance in relation to the dividend distribution, based among other things, on the financial statements as of 30 September 2025, additional information presented, and management’s review.
2. Regarding the profit test, the Board approved the said dividend distribution based on the distributable profit per the audited financial statements as of 30 September 2025, which exceeds the dividend amount.
3. Regarding the solvency test, the Board, inter alia, reviewed the following data: the company's financial condition, including cash balances, debt balances, and net debt balances; expected future cash flows; operating cash flows from income of income-producing real estate assets; the company's debt payment schedule; additional financing sources, including the ability to raise funds (considering unencumbered assets and the proven ability to raise debt in recent years), realization of investments and loan repayments from subsidiaries, and compliance with financial covenants. The Board also reviewed the liquidity implications of the dividend on the company’s financial position and liquidity, on operating activities, investment plans per current strategy, capital structure, leverage level (including credit rating). After reviewing the presented data, the Board determined there is no reasonable concern that the distribution will prevent the company from meeting its existing and foreseeable obligations as they fall due.
4. In the Board’s opinion, based on the information and data presented, the dividend distribution will not materially adversely affect the company's financial condition, including capital structure, leverage, liquidity, and the ability to continue current activity patterns. The above data and forward-looking assessments are as defined in the Securities Law, 1968, and based, among other factors, on the company's annual forecast analysis using current company data, including expected rental income from existing and potential future lease renewals or new leases on vacant spaces. Such expectations and estimates may not materialize, fully or partially, or may materially differ due to changes in capital market conditions, inflation, exchange rates, the markets in which the company and subsidiaries operate, geopolitical and regulatory changes, and realization of any risk factors described in section 21 of Part A of the company's 2024 annual periodic report.

Authorized Signatories for Company

#	Name	Role	Role Description
1	Arthur Leshinski	CEO	_____

**Note:** According to Regulation 5 of the Periodic and Immediate Reports Regulations (1970), a report submitted in accordance must be signed by those authorized to sign on behalf of the corporation. The staff position can be found on the Authority’s website: [Click here](#).

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### Additional Information

- Securities of the corporation are listed for trading on the Tel Aviv Stock Exchange.
- Short company name: BLUE SQUARE REAL ESTATE
- Address: Azrieli Center 1, Round Tower, Floor 18, Tel Aviv, 6701101  
Tel: 03-9282649, 03-9282526 | Fax: 03-9282402
- Email: [hagarg@bsre.co.il](mailto:hagarg@bsre.co.il) | Website: -
- Previous names:

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**Electronic signatory:** Rosh Avivit (Chief Accountant)

**Employer company:**

Address: Menachem Begin Rd 132, Tel Aviv, 6701101  
Tel: 03-9282629 | Fax: 03-9282402 | Email: [avivitr@bsre.co.il](mailto:avivitr@bsre.co.il)

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*This document is a translation of an immediate report regarding a dividend distribution by BLUE SQUARE REAL ESTATE LTD.*

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