July 20, 2026

To
Israel Securities Authority
www.isa.gov.il

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

Dear Sirs/Madams,

Subject: Immediate report regarding the examination of the possibility of an issuance of commercial papers

Blue Square Real Estate Ltd. (hereinafter: the "**Company**"), is pleased to announce that the Company is examining the possibility of carrying out an issuance of commercial papers (Series 3) (hereinafter: the "**commercial papers**").

The issuance of the commercial papers, if and to the extent carried out, will be done by way of a public offering based on a shelf offering report that the Company is expected to publish, if and to the extent published, by virtue of the Company's shelf prospectus dated February 19, 2026, as published by the Company on February 18, 2026 (hereinafter: the "**Shelf Prospectus**" and the "**Issuance**")[1].

Insofar as the Company decides to carry out an issuance of the commercial papers, the Company will publish an immediate report regarding the date of the tender for classified investors[2], the rate of the early commitment fee, and the terms of the commercial papers. Additionally, prior to the performance of the tender for classified investors, a rating will be published in relation to the commercial papers.

Against the backdrop of the examined issuance possibility, the Company is pleased to update on several developments in the course of its business. It should be noted that each of the events detailed below does not, in itself, constitute a material event or matter deviating from the corporation's ordinary business for the purpose of the immediate reporting obligation under Regulation 36(a) of the Securities Regulations (Periodic reports and Immediate Reports), 1970; however, due to their cumulative scope, as a precaution, and against the backdrop of the examination of the issuance possibility, the Company is pleased to provide information regarding them, as follows:

(a) The Company is examining the possibility of entering, together with a partner (50%), into an agreement to purchase agricultural land (approx. 1,300 dunams), for the purpose of establishing an agri-solar project. Insofar as such an agreement is signed, the purchase amount is not expected to be material relative to the Company's assets.

(b) The Company is examining the possibility of entering into an agreement for the sale of part of its rights in land on which an income-producing property is located to a third party (between 25% to 30%). Insofar as the transaction is completed, the value of the land in the Company's books may be materially affected thereby.

(c) The Company has begun establishing activity in the Data Centers field, and in this context has submitted several requests for electricity connections in material volumes on several of its lands.

It is clarified with respect to the aforementioned business developments that they are in preliminary and initial stages only, and the Company has no ability to evaluate if they will be realized or completed, in part or in full, as well as what their effects on its activity will be. All of the Company's assessments in this matter are "forward-looking information," as this term is defined in the Securities Law, 1968. The Company will continue to update on this matter within its reports as required by law. For the avoidance of doubt, it is emphasized that the structure of the issuance of the commercial papers, its timing, scope, and terms have not yet been determined, and the Issuance, if carried out, is subject to the Company's discretion, inter alia, considering the changing market conditions, and will be subject to the approval of the Company's board of directors in accordance with its discretion. Nothing in the aforementioned constitutes an indication or creates any obligation on the part of the Company to carry out the Issuance, or constitutes a public offering or an invitation to purchase securities of the Company.

Sincerely,

Blue Square Real Estate Ltd.

By: Mr. Moti Ben-Moshe, Chairman of the Company's Board of Directors

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[1] Reference No. 2026-01-015860.

[2] As this term is defined in the Securities Law, 1968, and in the Securities Regulations (Manner of Offering Securities to the Public), 2007.