

15 September 2016

**Bagir Group Limited**  
**("Bagir" or the "Company")**

**Result of fundraising**

Bagir (AIM: BAGR), a designer, creator and provider of innovative tailoring, is pleased to announce that, following its earlier announcement, the Company has conditionally raised gross proceeds of \$8.5 million (£6.4 million) through the successful subscription of 56,048,000 Subscription Shares and placing of 127,188,754 Placing Shares, in aggregate 183,236,754 New Ordinary Shares at a price of 3.5 pence per New Ordinary Share. The Placing has been arranged by N+1 Singer.

The net proceeds of the Fundraising (being approximately US\$8.1 million) will be used to repay the Company's lenders, Bank Leumi and Discount Bank, with the balance being used as working capital to support the Group's business operations.

The Fundraising is conditional on, inter alia, the passing of the Fundraising Resolutions to be proposed at the Extraordinary General Meeting to be held at the offices of N+1 Singer, One Bartholomew Lane London EC2N 2AX. The circular (the "Circular"), which provides further details of the Fundraising and includes a notice convening the Extraordinary General Meeting, is expected to be sent to shareholders and be available on the Company's website in the coming few days.

Eran Itzhak, CEO of Bagir, commented:

"This fundraising gives the Company the ability to complete the restructuring agreement with the Lenders and, in so doing, to clear all outstanding bank debt (approximately \$21 million) and is the most significant stage of our turnaround plan to date. Going forward, our balance sheet is strengthened considerably and this enables us to look to the future with confidence as we seek to grow the Company. I would like to thank our customers, shareholders and employees for their continuing support."

**Directors interests**

In addition, the Company announces that the Directors listed in the table below have participated in the Fundraising. Following announcement of the Fundraising earlier today, those Directors have subscribed for an aggregate of 1,001,000 Placing Shares.

Immediately following Admission, the Directors will together hold an aggregate of 1,185,508 Ordinary Shares, representing 0.46 per cent. of the Enlarged Share Capital, as set out in the table below:

	<i>Amount subscribed (£)</i>	<i>Number of Placing Shares</i>	<i>Number of shares post Admission*</i>	<i>Percentage of Enlarged Share Capital post Admission*</i>
Tessa Laws	10,000	286,000	310,390	0.12%
Eran Itzhak	10,000	286,000	286,000	0.11%

Samuel Vlodinger	10,000	286,000	419,333	0.16%
Donald Stewart	5,000	143,000	143,000	0.06%
Marc Zalcman**	-	-	-	-
Udi Cohen	-	-	-	-
Fiona Holmes	26,785	-	26,785	0.01%

\* Assuming that no further Ordinary Shares are issued following the date of this announcement

\*\* Marc Zalcman owns the entire issued share capital of Man Capital Holdings Ltd. which owns 2.08% of the current issued share capital of the Company. Man Capital Holdings Ltd. also owns 14 per cent. of S.G. Textile Holdings Ltd.. S.G. Textile Holdings Ltd. owns 1.14 per cent. of the issued share capital of the Company. The remaining 86 per cent. of S.G. Textile Holdings Ltd is owned by Siverboim Holdings Ltd., a company wholly owned by Zvika Barinboim. Zvika Barinboim is also the sole owner of Barinboim Properties Ltd, a substantial Shareholder of the Company. Man Capital Holdings Ltd. is subscribing for 7,846,720 Subscription Shares as part of the Fundraising.

The participation by such Directors in the Placing constitutes related party transactions for the purposes of the AIM Rules. The independent directors for the purposes of the Placing (being the remaining Directors not participating in the Placing and comprising Fiona Holmes and Udi Cohen), having consulted with the Company's nominated adviser, N+1 Singer, consider that the terms of the related party transaction are fair and reasonable insofar as the Shareholders are concerned.

#### Shareholder interests

The following Shareholders holding, as at the date of this Announcement, directly or indirectly, 10 per cent. or more of the Existing Ordinary Shares are participating in the Fundraising at the Issue Price:

	<i>As at the date of this Document</i>		<i>Immediately following Admission</i>	
	<i>No. of Ordinary Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>No. of Ordinary Shares*</i>	<i>Percentage of Enlarged Share Capital*</i>
Hargreave Hale	8,727,570	17.31%	51,516,324	20.26%
Miton Asset Management	7,532,492	14.94%	45,758,492	18.00%
Barinboim Properties Ltd.**	6,429,670	12.75%	54,630,950	21.49%

\* Assuming that no further Ordinary Shares are issued following the date of this Announcement

\*\* Barinboim Properties Ltd. also owns the entire issued share capital of Siverboim Holdings Ltd. which in turns owns 86 per cent. of S.G. Textile Holdings Ltd.. S.G. Textile Holdings Ltd. owns 1.14 per cent. of the issued share capital of the Company. The remaining 14 per cent. of S.G. Textile Holdings Ltd is owned by Man Capital Holdings Ltd., a company wholly owned by Marc Zalcman a Director of the Company.

The participation in the Fundraising by such substantial Shareholders in the Company constitute related party transactions for the purposes of the AIM Rules. The independent directors (comprising those Directors unconnected to such substantial Shareholders being Tessa Laws, Samuel Vlodinger, Donald Stewart, Udi Cohen, Eran Itzhak and Fiona Holmes), having consulted with the Company's nominated adviser, N+1 Singer, consider that the terms of the related party transaction are fair and reasonable insofar as Shareholders are concerned.

## Expected timetable

Posting of the Circular	15 September 2016
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	10.00 a.m. on 19 October 2016
Time and date of Extraordinary General Meeting	10.00 a.m. on 21 October 2016
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 25 October 2016

Terms used but not defined in this Announcement shall have the meanings given to such terms in the Circular.

## Enquiries:

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## About Bagir Group

A global innovative tailoring provider, Bagir Group specializes in developing, manufacturing and marketing of high quality men and women's tailored fashions. Bagir Group leverages their Global Presence, Vertical Structure & Innovation in order to provide consumers with the ultimate wearing experience combining fashion, comfort, performance and value.

At Bagir Group, focus on excellence in design and innovation throughout the entire value chain is a fundamental platform for achieving their goals. Strategic partnerships with retail customers keep Bagir Group in tune with the latest industry needs and trends while helping ensure their customers' competitiveness and consumer satisfaction.

Bagir Group markets their suits, jackets and trousers under retail private labels as well as world renowned brands such as AR-RED, and Jay Godfrey. From fiber to fabric, from design to display, Bagir Group is among the world's most innovative tailoring providers. The latest innovations introduced by Bagir Group include stylishly designed concepts from flexible and stretchable clothes to machine washable suits and airy all-climate garments. At Bagir Group, innovation means delivering consumers with clothes and suits that offer perfect performance backed by an experience of pure comfort and style.

Bagir Group was established in 1961 and was admitted to AIM on 15th April 2014 (ticker:BAGR).  
<http://www.bagir.com/index.html>

## DEFINITIONS

In this Announcement:

"Admission" means the admission of the Fundraising Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;

"AIM" means the market of that name operated by the London Stock Exchange;

"AIM Rules" means the provisions of the London Stock Exchange AIM Rules for Companies as amended from time to time governing, inter alia, admission to AIM and the continuing obligations of AIM companies;

"Announcement" means this announcement;

"Bank Leumi" means Bank Leumi Le Israel B.M.;

"Circular" means the circular to be issued by the Company to the holders of Ordinary Shares containing, inter alia, further details of the Proposals and the Notice of General Meeting;

"Directors" means the directors of the Company;

"Discount Bank" means Israel Discount Bank Ltd.;

"Enlarged Share Capital" means the issued share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the New Ordinary Shares;

"Existing Ordinary Shares" means the 50,428,660 Ordinary Shares in issue at the date of this Announcement, all of which are admitted to trading on AIM and being the entire issued ordinary share capital of the Company;

"Extraordinary General Meeting" means the extraordinary general meeting of the Company to be held at the offices of N+1 Singer, One Bartholomew Lane London EC2N 2AX at 10 a.m. on 21 October 2016, notice of which will be set out at the end of the Circular;

"Fundraising" means the Placing and the Subscription;

"Fundraising Resolutions" means those of the Resolutions that relate to the Fundraising;

"Fundraising Shares" means the Placing Shares and the Subscription Shares;

"Group" means the Company and its subsidiaries as at the date of this Announcement;

"Issue Price" means 3.5 pence per Placing Share and Subscription Share;

"Lenders" means Bank Leumi and Discount Bank;

"Lender Shares" means the 20,551,247 Ordinary Shares to be issued to the Lenders on Admission;

"London Stock Exchange" means the London Stock Exchange plc;

"New Ordinary Shares" means the Fundraising Shares and the Lender Shares;

"Notice of Extraordinary General Meeting" means the notice convening the Extraordinary General Meeting which is set out at the end of the Circular;

"Ordinary Shares" means the ordinary shares of 0.04 New Israeli Shekels each in the capital of the Company;

"Placing" means the conditional placing of the Placing Shares by N+1 Singer, as agent on behalf of the Company, pursuant to the Placing Agreement, further details of which were set out in the Company's previous announcement;

"Placing Agreement" means the conditional agreement dated 14 September 2016 made between N+1 Singer and the Company in relation to the Placing;

"Placing Shares" means the 127,188,754 new Ordinary Shares to be issued pursuant to the Placing;

"Proposals" means the Fundraising together with the issue of the Lender Shares and other related matters as more fully described in the Company's previous announcement and the Circular;

"Resolutions" means the resolutions set out in the Notice of Extraordinary General Meeting;

"Shareholders" means holders of the Existing Ordinary Shares;

"Subscribers" means Barinboim Properties Ltd. and Man Capital Holdings Ltd.;

"Subscription" means the conditional subscription by the Subscribers for the Subscription Shares;

"Subscription Shares" the 56,048,000 Ordinary Shares to be issued to the Subscribers.