

25 March 2020

Bagir Group Ltd.

(“Bagir”, the “Group” or the “Company”)

COVID-19 Update

Bagir (AIM: BAGR), a designer, creator and provider of innovative tailoring, announces the following update in light of the COVID-19 pandemic.

Our first priority at this very challenging time is our people and we are monitoring and following all official advice to help ensure their safety and well-being.

The Company’s two largest end markets are the US and UK. In both countries there are widespread retail store closures and general uncertainty around the commercial impact and duration of COVID-19. As a result, the majority of orders placed for tailored garments prior to the outbreak have now been put on hold. We are in close contact with all our customers, gathering as much information as we can, to help us determine how best to serve them during this unusual time and to be well placed when the time comes to re-commence production.

Like many, we are hoping that the impact of Covid19 will be short-lived, however, we must prepare for an extended period of disruption. In response to the immediate slowdown in demand, to protect the Company’s cash reserves and to ensure the safety of our employees, the Board has resolved to take the following actions:

- temporary closure of manufacturing sites in Egypt and Ethiopia, with employees still retained so production can re-commence once the acute phase of this pandemic passes;
- in Vietnam, our manufacturing sites will remain open with reduced production and workforce for the time being; and
- the majority of employees in Bagir’s offices around the world, including our HQ in Israel, are working remotely or have been furloughed.

The temporary closures will reduce the Company’s cost base and we are working with local governments and/or consultants in each market to maximise any support that is available.

The Company has taken these actions to navigate through this uncertain period and be in a position to respond rapidly when our markets normalise.

Further updates to shareholders will be made accordingly.

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For more information about Bagir, please visit the Company's website: <http://www.https://www.bagirgroup.com/>