

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 5, 2024

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-27408
(Commission File No.)

33-0684451
(IRS Employer Identification No.)

1910 Opdyke Court, Auburn Hills, MI
(Address of Principal Executive Offices)

48326
(Zip Code)

Registrant's telephone number, including area code: (248) 364-7727

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c)) Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	SGRP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

SPAR Group, Inc. (“SGRP” or the “Corporation”, and together with its subsidiaries, the “Company”, “SPAR” or “SPAR Group”) has listed its shares of Common Stock for trading through the Nasdaq Stock Market LLC (“Nasdaq”) under the trading symbol “SGRP” and periodically files reports with the Securities and Exchange Commission (“SEC”). Reference is made to SGRP’s 2023 Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on April 1, 2024, and SGRP’s First Amendment to the 2023 Annual Report on Form 10-K/A for the year ended December 31, 2023, as filed with the SEC on April 30, 2024 (as so amended, the “Annual Report”); and (b) SGRP’s Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports and statements as and when filed with the SEC (including this Current Report and the Annual Report, each a “SEC Report”).

Item 8.01 Other Events.

SGRP is pleased to announce that it has entered into a non-binding Letter of Intent (“LOI”) with Highwire Capital, LLC (“Highwire”), pursuant to which Highwire intends to acquire all of the stock of SGRP for \$2.50 per fully diluted share in cash, representing an aggregate purchase price of \$58,000,000 (subject to certain adjustments) (the “Proposed Acquisition”), subject to (among other things) completion of mutually acceptable definitive documentation and approval by SGRP’s stockholders. SGRP’s press release announcing the Proposed Acquisition is attached to and made part of this Current Report as Exhibit 99.1.

As previously disclosed in the Current Report on Form 8-K filed by SGRP with the SEC on September 13, 2022, the Board of Directors of SGRP (the “Board”) initiated a process and formed a Special Committee of the Board (the “Special Committee”) to consider a full range of strategic alternatives, including a sale, merger, divestiture, recapitalization, going private, and other strategic transactions, or continuing to operate as a public, independent company. As part of this process, SGRP has retained Lincoln International LLC as its financial advisor to assist with this strategic review process. Also, as part of this process and previously reported, SGRP sold its joint venture interests in Australia, Brazil, China and South Africa, sold its joint venture interests in its subsidiary based in Atlanta, GA (*i.e.*, NMS), and purchased the remaining joint venture interests in its subsidiaries based in Jacksonville, FL (*i.e.*, Resource Plus).

As a result of the thorough analysis and process conducted by the Board and the Special Committee to evaluate the strategic alternatives discussed above, SGRP has entered into the LOI following unanimous approval by the Board and Special Committee. Other than a defined term of exclusivity and certain standard legal terms, the LOI is non-binding, in all respects, and neither party has an obligation to complete the transaction or enter into a material definitive agreement upon a certain price or otherwise.

The LOI sets forth a forty-five day minimum exclusivity term in favor of Highwire (the “Exclusivity Period”), which period may be automatically extended by successive two-week increments in the event SGRP and Highwire continue to negotiate in good faith toward entering into a material definitive agreement. During the Exclusivity Period, SGRP has agreed it will not hold discussions with a third party concerning a competing transaction to the Proposed Acquisition and will inform Highwire of competing offers to the Proposed Acquisition, provided that SGRP may hold such discussions and enter into a material definitive agreement with any third party if the Board reasonably believes it is required to do so to comply with its fiduciary duties.

The LOI does not provide for any agreement to consummate the Proposed Acquisition or any other transaction, or the requirement of participation in any negotiations toward any material definitive agreement by either party therein, and no such obligation or agreement will be deemed to exist unless and until a material definitive agreement has been executed, which definitive agreement may contain terms materially different from those proposed in the LOI.

As of the date hereof, SGRP has not entered into any definitive agreement for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, recapitalization, reorganization or similar business combination with Highwire or any other entities. The Proposed Acquisition would be subject to the satisfactory completion of due diligence by Highwire, the approval of the Proposed Acquisition by the required vote of a majority of the shares of SGRP’s common stock at a special meeting of its stockholders, the receipt of any necessary regulatory approvals and completion of any further closing conditions that are described in a material definitive document, if any that is ultimately negotiated and executed regarding the Proposed Acquisition.

Neither this Current Report on Form 8-K nor the LOI is an offer to purchase any securities, a solicitation of proxies or a request or recommendation for any stockholder to vote on or consent to the proposed transaction, and SGRP’s stockholders should not submit any proxy, vote or consent at this time. SGRP will prepare and distribute a proxy statement or information statement, as appropriate, to its stockholders regarding the Proposed Acquisition in compliance with SEC rules if the parties enter into a definitive agreement.

Forward Looking Statements

This Current Report on Form 8-K and its exhibits (collectively, this “Current Report”) contain “forward-looking statements” within the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, the Company, and this Current Report has been filed by SGRP with the SEC. “Forward-looking statements” are defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act and other applicable Securities Laws.

All statements (other than those that are purely historical) are forward-looking statements. Words such as “may,” “will,” “expect,” “intend,” “believe,” “estimate,” “anticipate,” “continue,” “plan,” “project,” or the negative of these terms or other similar expressions also identify forward-looking statements. Forward-looking statements made by the Company in this Current Report may include (without limitation) statements regarding: risks, uncertainties, cautions, circumstances and other factors (“Risks”). Those Risks include (without limitation): the impact of the news of the Proposed Acquisition or developments in it; the uncertainty of completion of mutually acceptable definitive documentation, approval by SGRP’s stockholders and satisfaction of other closing conditions respecting the Proposed Acquisition; the impact of the Company’s continued strategic review process, or any resulting action or inaction, should the Proposed Acquisition not occur; the impact of selling certain of the Company’s subsidiaries or any resulting impact on revenues, earnings or cash; the impact of adding new directors or new finance team members; the potential negative effects of any stock repurchase and/or payment; the potential continuing negative effects of the COVID pandemic on the Company’s business; the Company’s potential non-compliance with applicable Nasdaq director independence, bid price or other rules; the Company’s cash flow or financial condition; and plans, intentions, expectations, guidance or other information respecting the pursuit or achievement of the Company’s corporate objectives.

You should carefully review and consider the Company’s forward-looking statements (including Risks and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Current Report or any other SEC Report, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, foreign exchange, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, revenues, sales, strategies, taxation or other achievement, results, Risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, “Expectations”), and our forward-looking statements (including all Risks) and other information reflect the Company’s current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company’s control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in the Company’s common stock.

These forward-looking statements reflect the Company’s Expectations, views, Risks and assumptions only as of the date of this Current Report, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

99.1 [SGRP Press Release Highwire acquisition Letter of Intent](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPAR Group, Inc.

Date: June 5, 2024

By: /s/ Michael R. Matacunas, President & CEO

Michael R. Matacunas, President & CEO



For Immediate Release

June 5, 2024

SPAR Group Enters into Letter of Intent to go Private with Highwire Capital

Highwire brings patented disruptive technologies that drive innovation, unlock potential and deliver value to great operating businesses

AUBURN HILLS, MI – SPAR Group, Inc. (NASDAQ: SGRP) (the “Corporation”), a provider of merchandising, marketing and distribution services, announced today that based on the unanimous approval of the Board and a Special Committee of Independent Directors formed to evaluate strategic alternatives, the Corporation has entered into a letter of intent (“LOI”), which is non-binding, in all respects, other than a defined term of exclusivity and certain legal terms, with Highwire Capital (“Highwire”).

Highwire has offered to acquire the Corporation in a merger transaction for consideration of \$58.0 million or \$2.50 per share, payable in cash, subject to certain adjustments, and the negotiation and execution of a definitive merger agreement, including the satisfaction of any conditions in such an agreement.

“The Board believes that agreement to this proposal is the best way to secure the recent value created and deliver a meaningful return to our shareholders,” said Jim Gillis, Chairman of the Board. “Upon completing a thorough process and analysis over the last 18+ months, we considered a number of alternatives. Working with management, we began a process to dispose of the joint ventures, bring cash back into the business and focus on the U.S. and Canada. This strategy energized the stock and provided us an opportunity to capture value for our shareholders in this LOI.”

Other factors that were considered by the Board included,

- Advice and counsel from Lincoln International, a financial advisor, having discussed the potential value of the Corporation and alternatives with more than 165 parties
 - Output of a thorough and exhaustive process evaluating alternatives to create maximum shareholder value
 - Review of multiple offers for the business that were materially lower in value than the current offer
 - Analysis of the volume and historical stock price performance in unlocking shareholder value
 - Recognition that the stock is highly volatile closing from \$.97 to \$2.97 over the last 90 trading days
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The \$2.50 proposed merger consideration represents a 19% premium over the 20-day average [closing] price per share of \$2.10 and approximately a 107% premium to the average closing price of the last 12 months of \$1.21. In addition, the Board and Special Committee expect to receive and review a fairness opinion from its financial advisor prior to the execution of any definitive agreements.

“The proposed merger with Highwire Capital will maximize value to our stockholders and enable us to continue our growth while offering innovation and more value to our clients. Highwire is expected to retain the SPAR executive team. Our commitment to clients and service is unchanged and our passion for results is unwavering,” said Mike Matacunas, CEO and president, SPAR Group.

“This is an exciting opportunity to leverage SPAR’s tenured industry expertise with transformative innovation – a hallmark of Highwire’s founding ethos,” said Rob Wilson, CEO of Highwire Capital.

The letter of intent does not provide for any agreement to consummate the proposed acquisition or any other transaction, or the requirement of participation in any negotiations toward any definitive agreement by either party therein, and no such obligation or agreement will be deemed to exist unless and until a definitive agreement has been executed, which definitive agreement may contain terms materially different from those proposed in the letter of intent. The proposed acquisition will be subject to satisfactory completion of due diligence by Highwire, the approval by a majority of the Corporation’s shares of common stock at a special meeting, the receipt of any necessary regulatory approvals and completion of any further closing conditions.

Neither this press release nor the letter of intent is an offer to purchase any securities, a solicitation of proxies or a request or recommendation for any stockholder to vote on or consent to the proposed transaction, and the Corporation’s stockholders should not submit any proxy, vote or consent at this time. The Corporation will prepare and distribute a proxy statement or information statement, as appropriate, to its stockholders regarding the proposed transaction in compliance with SEC rules if the parties enter into a definitive agreement.

Lincoln International LLC is serving as the Corporation’s financial advisors and Foley & Lardner LLP is serving as the Corporation’s legal advisers. Ferguson Braswell Fraser Kubasta P.C. is acting as Highwire’s legal advisers.

About Highwire Capital

Highwire Capital transforms middle-market businesses by integrating innovative technologies with traditional operating models. By driving efficiency and fostering industry advancements, Highwire revitalizes established entities into leading platforms for disruption and growth. For more information, please visit Highwire’s website at <http://www.highwire.capital>.

About SPAR Group, Inc.

SPAR Group is an innovative services company offering comprehensive merchandising, marketing and distribution solutions to retailers and brands. We provide the resources and analytics that improve brand experiences and transform retail spaces. We offer a unique combination of scale and flexibility with a passion for client results that separates us from the competition. For more information, please visit the SPAR Group's website at <http://www.sparinc.com>.

Forward Looking Statements

This Press Release (this "Press Release") contains "forward-looking statements" within the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, made by, or respecting, the Company. "Forward-looking statements" are defined in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act and other applicable Securities Laws.

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You should carefully review and consider the Company's forward-looking statements (including Risks and other cautions and uncertainties) and other information made, contained or noted in or incorporated by reference into this Press Release, but you should not place undue reliance on any of them. The results, actions, levels of activity, performance, achievements or condition of the Company (including its affiliates, assets, business, clients, capital, cash flow, credit, expenses, financial condition, foreign exchange, income, liabilities, liquidity, locations, marketing, operations, performance, prospects, revenues, sales, strategies, taxation or other achievement, results, Risks, trends or condition) and other events and circumstances planned, intended, anticipated, estimated or otherwise expected by the Company (collectively, "Expectations"), and our forward-looking statements (including all Risks) and other information reflect the Company's current views about future events and circumstances. Although the Company believes those Expectations and views are reasonable, the results, actions, levels of activity, performance, achievements or condition of the Company or other events and circumstances may differ materially from our Expectations and views, and they cannot be assured or guaranteed by the Company, since they are subject to Risks and other assumptions, changes in circumstances and unpredictable events (many of which are beyond the Company's control). In addition, new Risks arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Accordingly, the Company cannot assure you that its Expectations will be achieved in whole or in part, that it has identified all potential Risks, or that it can successfully avoid or mitigate such Risks in whole or in part, any of which could be significant and materially adverse to the Company and the value of your investment in the Company's common stock.

These forward-looking statements reflect the Company's Expectations, views, Risks and assumptions only as of the date of this Press Release, and the Company does not intend, assume any obligation, or promise to publicly update or revise any forward-looking statements (including any Risks or Expectations) or other information (in whole or in part), whether as a result of new information, new or worsening Risks or uncertainties, changed circumstances, future events, recognition, or otherwise.

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