

UGRO

Small Cap

Reverse Split

Merger

Squeeze

High Risk

Cannabis

Sports Media

UGRO Explodes 74% in Pre-Market After Reverse-Split Squeeze Meets Flash Merger

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SUMMARY

UGRO ripped 74% to \$3.79 in Sunday's pre-market session after a brutal 25:1 reverse split created massive mechanical pressure on what's now a minuscule 684K share float.

SINCE REPORT +84.7%

DATA BOX

Price	\$3.79
Change	+73.85%
Volume	83.1K
Float	~684K
Mkt cap	\$1.64M

Key Data (as of 8:43 AM ET, March 23, 2026)

Price: \$3.79 | Change: +\$1.61 (73.85%) | Volume: 83.1K | Float: ~684K shares |
Market Cap: \$1.64M

UGRO just torched everyone expecting this to die quietly. The stock exploded 74% to \$3.79 in Sunday's pre-market session, turning Friday's \$2.18 close into a violent squeeze that nobody saw coming.

Here's the brutal math: UGRO implemented a 25:1 reverse split on February 9, collapsing the share count from 17.1 million down to just 684,569 shares. That's not a float — that's a puddle. Any buying pressure was guaranteed to create fireworks.

The tape reader in me sees exactly what happened here. UGRO carries a 1.89 beta, meaning it moves nearly twice as volatile as the market, and that was *before* the reverse split nuked the float. Short interest sits at 37,836 shares — 5.03% of the outstanding — which doesn't sound like much until you realize that represents serious money on a sub-700K share float.

The catalyst everyone's talking about is the Flash Sports merger, but that's old news. Urban-gro completed the Flash Sports and Media acquisition on February 17, bringing sports media and live events into what was previously a failing cannabis facility builder. Flash shareholders got unregistered UGRO common stock plus convertible preferred, with conversion based on a \$3.23 formula.

That \$3.23 number matters. We're trading above it at \$3.79, which suggests either the merger math worked better than expected or we're seeing pure mechanical squeeze action.

The risk picture here is nasty, and you need to understand it before you touch this thing. Revenue collapsed 43% in 2024, dropping from \$70 million to \$40 million, while gross profit fell from \$9.9 million to just \$2.9 million. Stockholders' equity went negative. The company defaulted on a \$10 million

credit line and settled a \$1.49 million lawsuit by issuing stock rather than cash after the lender foreclosed on subsidiary assets.

This was a company in full wind-down mode before the Flash merger. They're sitting on just \$62,875 in cash against \$4.23 million in debt. Operating margin is -127.49%, profit margin is -200.49%. These aren't numbers — they're warnings.

But here's where it gets interesting for traders. UGRO regained full Nasdaq compliance on March 9, meeting requirements for periodic reporting, minimum stockholders' equity, and the \$1.00 minimum bid price. The merger helped push stockholders' equity above the \$2.5 million Nasdaq threshold, at least on paper.

The mechanical setup is what matters now. At 684K shares outstanding, any meaningful volume creates instant volatility. Friday's regular session saw just 83.1K shares trade — that's roughly 12% of the entire float changing hands. Today's pre-market explosion on similar volume shows how thin this thing really is.

Key levels to watch: The \$3.23 merger conversion price acted as resistance until this morning's breakout. Above \$3.79, there's no technical resistance until you hit the post-split equivalent of old highs, which would be around \$5-6. Support should come in around \$3.00-3.20 if this pulls back.

The volume pattern tells the real story. Normal volume runs around 51K shares daily, so anything above 100K represents serious interest in a float this size. Watch for continuation above 150K volume — that's when mechanical squeezes typically accelerate.

Risk management is critical here. This isn't an investment — it's a trading vehicle with massive dilution history and suspect fundamentals. The merger gives it a new story, but if Flash's preferred stock converts fully, former Flash shareholders could end up owning 90% of the combined company. That's massive dilution waiting to happen.

The smart play? Watch for the first pullback to see if buyers step in around \$3.20. If it holds, there could be another leg higher. But remember — this is a 684K share float with a history of issuing stock to pay bills. Trade it like the mechanical squeeze it is, not like a long-term story.

This analysis was prepared at 8:43 AM ET on March 23, 2026. Trading involves substantial risk and is not suitable for all investors.

This report is for informational purposes only and does not constitute investment advice. Always conduct your own due diligence before making any investment decision.