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

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2020**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: **000-54258**

TERRA TECH CORP.

(Exact name of registrant as specified in its charter)

NEVADA	**26-3062661**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2040 Main Street, Suite 225
Irvine, California 92614
(Address of principal executive offices) (Zip Code)

888-909-5564
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	**TRTC**	**OTCQX**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-Accelerated Filer	☒	Smaller reporting company	☒
		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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At June 30, 2020, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's voting stock held by non-affiliates (based on the closing sale price of the registrant's Common Stock on the OTC Market Group Inc.'s OTCQX tier, and for the purpose of this computation only, on the assumption that all of the Registrant's directors and officers are affiliates), was $59,993,444.

As of March 23, 2021, there were 234,062,627 shares of common stock issued and 231,754,219 outstanding, 36,076,555 shares of common stock issuable upon the exercise of all of our outstanding warrants and 8,145,323 shares of common stock issuable upon the exercise of all vested options.

Documents Incorporated by Reference

None

TERRA TECH CORP.
ANNUAL REPORT ON FORM 10-K
YEAR ENDED DECEMBER 31, 2020

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CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

In addition to historical information, this Annual Report on Form 10-K may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which provides a "safe harbor" for forward-looking statements made by us. All statements, other than statements of historical facts, including statements concerning our plans, objectives, goals, beliefs, business strategies, future events, business conditions, results of operations, financial position, business outlook, business trends, and other information, may be forward-looking statements. Words such as "might," "will," "may," "should," "estimates," "expects," "continues," "contemplates," "anticipates," "projects," "plans," "potential," "predicts," "intends," "believes," "forecasts," "future," and variations of such words or similar expressions are intended to identify forward-looking statements. The forward-looking statements are not historical facts, and are based upon our current expectations, beliefs, estimates and projections, and various assumptions, many of which, by their nature, are inherently uncertain and beyond our control. Our expectations, beliefs, estimates, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs, estimates, and projections will occur or can be can achieved and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

There are a number of risks, uncertainties, and other important factors, many of which are beyond our control, that could cause actual results to differ materially from the forward-looking statements contained in this Annual Report on Form 10-K. Such risks, uncertainties, and other important factors that could cause actual results to differ include, among others, the risk, uncertainties and factors set forth under "Item 1A. Risk Factors" in this Annual Report on Form 10-K and in other filings we make from time to time with the U.S. Securities and Exchange Commission ("SEC").

We caution you that the risks, uncertainties, and other factors set forth in our periodic filings with the SEC may not contain all of the risks, uncertainties, and other factors that are important to you. In addition, we cannot assure you that we will realize the results, benefits, or developments that we expect or anticipate or, even if substantially realized, that they will result in the consequences or affect us or our business in the way expected. There can be no assurance that: (i) we have correctly measured or identified all of the factors affecting our business or the extent of these factors' likely impact, (ii) the available information with respect to these factors on which such analysis is based is complete or accurate, (iii) such analysis is correct, or (iv) our strategy, which is based in part on this analysis, will be successful. All forward-looking statements in this report apply only as of the date of the report or as of the date they were made and, except as required by applicable law, we undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments, or otherwise.

The following discussion should be read in conjunction with our consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K.

PART I

ITEM 1. BUSINESS

Unless the context indicates or suggests otherwise, references to "we," "our," "us," the "Company," or "Terra Tech" refer to Terra Tech Corp., a Nevada corporation, individually, or as the context requires, collectively with its consolidated subsidiaries.

Company Overview

Terra Tech is a holding company with the following subsidiaries:

- 620 Dyer LLC, a California corporation (Dyer);
- 1815 Carnegie LLC, a California limited liability company (Carnegie);
- Black Oak Gallery, a California corporation (Black Oak);
- Bl m San Leandro, a California corporation (Bl m San Leandro);
- GrowOp Technology Ltd., a Nevada corporation (GrowOp Technology);
- IVXX, Inc., a California corporation (IVXX Inc. ; together with IVXX LLC, IVXX);
- IVXX, LLC, a Nevada limited liability company (IVXX LLC);
- MediFarm, LLC, a Nevada limited liability company (MediFarm);
- MediFarm I, LLC, a Nevada limited liability company (MediFarm I);
- MediFarm II, LLC, a Nevada limited liability company (MediFarm II); and
- MediFarm So Cal, Inc., a California corporation (MediFarm SoCal)
- 121 North Fourth Street, LLC, a Nevada limited liability company ("121 North Fourth")
- OneQor Technologies, Inc., a Delaware corporation ("OneQor")

Our corporate headquarters is located at 2040 Main Street, Suite 225, Irvine, California 92614 and our telephone number is (888) 909-5564. Our website addresses are as follows: www.terratechcorp.com, www.letsblum.com, and www.ivxx.com. No information available on or through our websites shall be deemed to be incorporated into this Annual Report on Form 10-K. Our common stock, par value $0.001 (the "Common Stock"), is quoted on the OTC Markets Group, Inc.'s OTCQX tier under the symbol "TRTC." Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including exhibits, proxy and information statements and amendments to those reports filed or furnished pursuant to Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") may be accessed through the SEC's Interactive Data Electronic Applications system at https://www.sec.gov.

Recent Developments

In mid-December Terra Tech experienced a significant change that began with the addition of three new Directors to the Company's Board. This was the first step in a process that saw the addition of a new CEO and COO, the recapitalization of the company, the exiting of the founders of the company after ten years at the helm, and the retirement of our Preferred Stock. In December, Nicholas Kovacevich, Francis Knuettel II, and Ira Ritter joined the Board of Directors. Shortly thereafter Francis Knuettel II and Uri Kenig joined the Company as our Interim CEO and COO, respectively. The recapitalization provided the Company with working capital and a runway to expected cash inflows from asset sales and other investments, which are anticipated to make a significant impact on our balance sheet.

Pending Asset Sales

Wholly-owned subsidiaries of Terra Tech Corp entered into asset purchase agreements with non-affiliated third parties to sell the assets related to the Company's Nevada dispensaries. These three transactions are pending, due to the fact that they are subject to approval by the Nevada Department of Taxation as well as local approval. After a year and a half delay, the transactions have been approved by the State of Nevada. We are now awaiting local government approval which has been impacted by COVID-19.The transactions are expected to close promptly following receipt of such approval.

- May 8, 2019 agreement – 1130 East Desert Inn Road, Las Vegas, NV dispensary – to Picksy LLC
- August 19, 2019 agreement – 1085 S. Virginia St Suite A, Reno, NV dispensary – to Picksy LLC
- April 15, 2020 agreement – 3650 S. Decatur Blvd, Las Vegas, NV dispensary – to Natural Medicine, LLC.

The risks and uncertainties regarding the future of our business due to the impact of COVID-19 and regulatory uncertainty, combined with our historical lack of profitability, have in the past raised substantial doubt as to our ability to continue as a going concern. The accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern. Our management feels that proceeds due from its Hydrofarm investment, proceeds due from the Nevada asset sales, management's past and on-going efforts to trim costs and management's recent efforts to boost sales will lead to cash sustainability. Therefore management feels that there is no material uncertainty as to the Company's ability to continue as a going concern.

Our Business

We are a retail, production and cultivation company, with an emphasis on providing the highest quality of medical and adult use cannabis products. We have a presence in two states (California and Nevada) . All of our cannabis dispensaries operate under the name Blüm. Our cannabis dispensaries in California operate as Blüm Oakland in Oakland and Blüm San Leandro in San Leandro and offer a broad selection of medical and adult-use cannabis products including flowers, concentrates and edibles.

Business Update Regarding COVID-19

The COVID-19 outbreak has presented a substantial public health and economic challenge around the world and is affecting employers, employees, communities and business operations, as well as the world's economy and financial markets. The full extent to which the COVID-19 outbreak will directly or indirectly impact our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets.

To date, we have been able to continue our operations and do not anticipate any material interruptions in the foreseeable future. However, we are continuing to assess the potential impact of the COVID-19 pandemic and its impact on our industry and our company.

Marijuana Industry Overview

Marijuana cultivation refers to the planting, tending, improving and harvesting of the flowering plant Cannabis, primarily for the production and consumption of cannabis flowers, often referred to as "buds." The cultivation techniques for marijuana cultivation differ for other purposes such as hemp production and generally references to marijuana cultivation and production do not include hemp.

Cannabis belongs to the genus Cannabis in the family Cannabaceae and for the purposes of production and consumption, includes three species, C. sativa ("Sativa"), C. indica ("Indica"), and C. ruderalis ("Ruderalis"). Sativa and Indica generally grow tall with some varieties reaching approximately four meters. The females produce flowers rich in tetrahydrocannabinol ("THC"). Ruderalis is a short plant and produces trace amounts of THC but is very rich in cannabidiol ("CBD") and which is an antagonist (inhibits the physiological action) to THC.

As of December 2020, there are a total of 37 states, plus the District of Columbia, that have passed legislation as it relates to medicinal cannabis. Of these states, 15 have decriminalized adult use cannabis legislation. These state laws are in direct conflict with the United States Federal Controlled Substances Act (21 U.S.C. § 811) ("CSA"), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I drug, which is viewed as having a high potential for abuse, has no currently-accepted use for medical treatment in the U.S., and lacks acceptable safety for use under medical supervision.

These 37 states, and the District of Columbia, have adopted laws that exempt patients who use medicinal cannabis under a physician's supervision from state criminal penalties. These are collectively referred to as the states that have de-criminalized medicinal cannabis, although there is a subtle difference between de-criminalization and legalization, and each state's laws are different.

The states that have legalized medicinal cannabis are as follows (in alphabetical order):

1. Alaska
2. Arizona
3. Arkansas
4. California
5. Colorado
6. Connecticut
7. Delaware
8. Florida
9. Hawaii
10. Illinois
11. Louisiana
12. Maine
13. Maryland
14. Massachusetts
15. Michigan
16. Minnesota
17. Mississippi
18. Missouri
19. Montana
20. Nevada
21. New Hampshire
22. New Jersey
23. New Mexico
24. New York
25. North Dakota
26. Ohio
27. Oklahoma
28. Oregon
29. Pennsylvania
30. Rhode Island
31. South Dakota
32. Texas
33. Utah
34. Vermont
35. Virginia
36. Washington
37. West Virginia

Medical cannabis decriminalization is generally referred to as the removal of all criminal penalties for the private possession and use of cannabis by adults, including cultivation for personal use and casual, nonprofit transfers of small amounts. Legalization is generally referred to as the development of a legally controlled market for cannabis, where consumers purchase from a safe, legal, and regulated source.

The dichotomy between federal and state laws has limited the access to banking and other financial services by marijuana businesses. The U.S. Department of Justice and the U.S. Department of Treasury have issued guidance for banks considering conducting business with marijuana dispensaries in states where those businesses are legal, pursuant to which banks must file a Marijuana Limited Suspicious Activity Report that states the marijuana business is following the government's guidelines with regard to revenue that is generated exclusively from legal sales. However, as banks can still face prosecution if they provide financial services to marijuana businesses, there is widespread refusal of the banking industry to offer banking services to marijuana businesses operating within state and local laws.

In November 2016, California and Nevada voters both approved marijuana use for adults over the age of 21 without a physician's prescription or recommendation, and permitted the cultivation and sale of marijuana, in each case subject to certain limitations. We have obtained the necessary permits and licenses to expand our existing business to cultivate and distribute marijuana in compliance with the laws in the State of Nevada and California. Despite the changes in state laws, marijuana remains illegal under federal law.

In November 2016, California voters approved Proposition 64, which is also known as the Adult Use of Marijuana Act ("the AUMA"), in a ballot initiative. Among other things, the AUMA makes it legal for adults over the age of 21 to use marijuana and to possess up to 28.5 grams of marijuana flowers and 8 grams of marijuana concentrates. Individuals are also permitted to grow up to six marijuana plants for personal use. In addition, the AUMA establishes a licensing system for businesses to, among other things, cultivate, process and distribute marijuana products under certain conditions. On January 1, 2018, the California Bureau of Marijuana Control enacted regulations to implement the AUMA.

Nevada voters approved Question 2 in a ballot initiative in November 2016. Among other things, Question 2 makes it legal for adults over the age of 21 to use marijuana and to possess up to one ounce of marijuana flowers and one-eighth of an ounce of marijuana concentrates. Individuals are also permitted to grow up to six marijuana plants for personal use. In addition, Question 2 authorizes businesses to cultivate, process and distribute marijuana products under certain conditions. On June 30, 2017, the State of Nevada Department of Taxation approved our Dual-Use Marijuana business licenses. This approval allowed all of our Blüm cannabis dispensaries in Nevada to commence sales of cannabis for adult-use beginning on July 1, 2017.

The U.S. Department of Justice (the "DOJ") has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property but has relied on state and local law enforcement to address marijuana activity. In the event the DOJ reverses its stated policy and begins strict enforcement of the CSA in states that have laws legalizing medical marijuana and recreational marijuana in small amounts, there may be a direct and adverse impact to our business and our revenue and profits.

Since the start of the new Congress, there have been positive discussions about the Federal Government's approach to cannabis. The new Biden administration has signaled a more pro-cannabis approach than the previous administration, however we've yet to see any definitive changes. It is possible that certain changes to existing laws or policies could have a negative effect on our business and results of operations.

Although the possession, cultivation and distribution of marijuana for medical and adult use is permitted in California and Nevada, provided compliance with applicable state and local laws, rules, and regulations, marijuana is illegal under federal law. We believe we operate our business in compliance with applicable Nevada and California laws and regulations. Any changes in federal, state or local law enforcement regarding marijuana may affect our ability to operate our business. Strict enforcement of federal law regarding marijuana would likely result in the inability to proceed with our business plans, could expose us to potential criminal liability and could subject our properties to civil forfeiture. Any changes in banking, insurance or other business services may also affect our ability to operate our business.

Our Medical Marijuana Dispensaries, Cultivation and Manufacturing

Black Oak Gallery / Blüm Oakland / Hegenberger

On April 1, 2016, we acquired Black Oak, which operates a medical and adult use marijuana dispensary in Oakland, California under the name Blüm. Black Oak opened its retail storefront in Oakland, California in November 2012.

Black Oak sells a combination of our own cultivated products as well as high quality name-brand products from outside suppliers. In addition to multiple grades of medical and adult use marijuana, Black Oak sells "edibles", which include cannabis-infused baked goods, chocolates, and candies; cannabis-infused topical products, such as lotions, massage oils and balms; clones of marijuana plants; and numerous kinds of cannabis concentrates, such as hash, shatter and wax.

Black Oak's target markets are those individuals located in the areas surrounding its dispensary. Black Oak services approximately 250 consumers per day. Collectively known as the Blüm Campus, Black Oak's location consists of a retail dispensary storefront, indoor cultivation area, a distribution area and a 20-car capacity parking lot.

During January 2017, we executed a lease for 13,000 square feet of industrial space on over 30,000 square feet of land in Oakland's industrial corridor with the intention of building a cultivation facility, which we refer to as "the Hegenberger facility". The Hegenberger facility is expected to be completed in the 3rd Quarter of 2021 and we will begin cultivating marijuana once all required operating permits are approved.

Blüm San Leandro

We incorporated Blüm San Leandro on October 14, 2016. Blüm San Leandro has received the necessary governmental approvals and permitting to operate a medical and adult use marijuana dispensary and distribution facility in San Leandro, California. The San Leandro dispensary opened on January 11, 2019. The distribution facility is expected to be completed in mid-2021.

IVXX and IVXX Branded Products

On September 16, 2014, Terra Tech formed IVXX for the purposes of producing a line of IVXX branded cannabis flowers as well as a complete line of IVXX branded pure cannabis concentrates including: oils, waxes, shatters, and clears.

The science of cannabis concentrate extraction functions on the solubility of the cannabinoids and other active ingredients in the cannabis plant. Cannabinoids are not water soluble, so to extract them properly, the cannabinoids must be dissolved in a solvent. IVXX utilizes multiple proprietary extraction methods to produce its concentrates. The Company's extractors process raw cannabis plants and separate the chemical cannabinoids from the cannabis plant material, producing a concentrate.

IVXX produces, markets and sells their line of IVXX branded cannabis products both to adult use and recreational cannabis markets in California and Nevada pursuant to Proposition 64 and Question 2, respectively, which made marijuana consumption legal (January 1, 2018 for California and July 1, 2017 for Nevada), with certain restrictions and rules, for adults over the age of 21.

On October 26, 2017, the Company entered into joint venture agreements with NuLeaf Sparks Cultivation, LLC and NuLeaf Reno Production, LLC (collectively "NuLeaf") to build and operate cultivation and production facilities for our IVXX brand of cannabis products in Nevada. The agreements were subject to approval by the State of Nevada, the City of Sparks and the City of Reno in Nevada. Under the terms of the agreements, the Company remitted to NuLeaf an upfront investment of $4.50 million in the form of convertible loans bearing an interest rate of 6.0% per annum. The Company received all required permits and licenses from the State of Nevada and local authorities in 2018. As a result, the notes receivable balance was converted into a 50.0% ownership interest in Nuleaf. See Note 4— *"Variable Interest Entity Arrangements"*.

Carnegie

On October 31, 2017, we formed Carnegie, a wholly owned subsidiary. Carnegie is a real estate holding company that owns the real property and a building located in Santa Ana, California. The Carnegie real estate was listed for sale in the fourth quarter of 2018. On July 30, 2020, we completed sold the real property and building located at 1815 Carnegie Avenue in Santa Ana, California to an unrelated third party. See Note 19 – *"Discontinued Operations"*.

Dyer

On October 31, 2017, we formed Dyer, a wholly owned subsidiary. Dyer is a real estate holding company for the purpose of acquiring real property and a building located in Santa Ana, California, where the Company plans to open an additional cannabis operation in Santa Ana, California.

Our Operations

We are organized into one reportable segment:

- ***Cannabis Dispensary, Cultivation and Production***– Includes cannabis-focused retail, cultivation and production operations; and

Either independently or in conjunction with third parties, we operate medical marijuana retail and adult use dispensaries, cultivation and production facilities in California and Nevada. All of our retail dispensaries in California offer a broad selection of medical and adult use cannabis products including flowers, concentrates and edibles. In Nevada, we also produce and sell a line of medical and adult use cannabis flowers, as well as a line of medical and adult use cannabis-extracted products, which include concentrates, cartridges, vape pens and wax products.

Human Capital

As of December 31, 2020, we had 52 employees. Our employees are the heart of our Company. In a rapidly evolving industry, it is imperative that we attract, develop and retain top talent on an ongoing basis. To do this, we seek to make Terra Tech an inclusive, diverse and safe workplace, with meaningful compensation and opportunities for career growth.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. Before deciding to purchase, hold, or sell our common stock, you should carefully consider the risks described below in addition to the cautionary statements and risks described elsewhere and the other information contained in this Report and in our other filings with the SEC, including subsequent reports on Forms 10-Q and 8-K. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these known or unknown risks or uncertainties actually occur, our business, financial condition, results of operations and/or liquidity could be seriously harmed, which could cause our actual results to vary materially from recent results or from our anticipated future results. In addition, the trading price of our common stock could decline due to any of these known or unknown risks or uncertainties, and you could lose all or part of your investment. An investment in our securities is speculative and involves a high degree of risk. You should not invest in our securities if you cannot bear the economic risk of your investment for an indefinite period of time and cannot afford to lose your entire investment. See also "Cautionary Note Concerning Forward-Looking Statements."

Summary of Risk Factors

Our business is subject to numerous risks and uncertainties, discussed in more detail in the following section. These risks include, among others, the following key risks:

Risks Relating to Our Business, Financial Position and Industry

- Our business may be adversely affected by the ongoing coronavirus pandemic.
- We have had significant changes to our operations, which may make it difficult for investors to predict future performance based on current operations.
- We have incurred significant losses in prior periods, and losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due and on our cash flow.
- We will likely need additional capital to sustain our operations and will likely need to seek further financing, which we may not be able to obtain on acceptable terms, or at all. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be compromised.
- We face intense competition and many of our competitors have greater resources that may enable them to compete more effectively.
- If we fail to protect our intellectual property, our business could be adversely affected.
- Although we believe that our products and processes do not and will not infringe upon the patents or violate the proprietary rights of others, it is possible such infringement or violation has occurred or may occur, which could have a material adverse effect on our business.
- Our trade secrets may be difficult to protect.
- Our business, financial condition, results of operations, and cash flow may in the future be negatively impacted by challenging global economic conditions.
- Our future success depends on our key executive officers and our ability to attract, retain, and motivate qualified personnel.
- We may not be able to effectively manage our growth or improve our operational, financial, and management information systems, which would impair our results of operations.
- If we are unable to continually innovate and increase efficiencies, our ability to attract new customers may be adversely affected.
- We are dependent on the popularity of consumer acceptance of our product lines, including IVXX.
- A drop in the retail price of medical and adult use marijuana products may negatively impact our business.
- Federal regulation and enforcement may adversely affect the implementation of cannabis laws and regulations may negatively impact our revenues and profits.
- We could be found to be violating laws related to cannabis.
- Variations in state and local regulation, and enforcement in states that have legalized cannabis, may restrict cannabis-related activities, which may negatively impact our revenues and prospective profits.
- Prospective customers may be deterred from doing business with a company with a significant nationwide online presence because of fears of federal or state enforcement of laws prohibiting possession and sale of medical or recreational marijuana.
- Marijuana remains illegal under federal law.
- We are not able to deduct some of our business expenses.
- We may not be able to attract or retain a majority of independent directors.
- We may not be able to successfully execute on our merger and acquisition strategy.

- Laws and regulations affecting the medical and adult use marijuana industry are constantly changing, which could detrimentally affect our cultivation, production and dispensary operations, and the business of IVXX.
- We may not obtain the necessary permits and authorizations to operate the medical and adult use marijuana business.
- If we incur substantial liability from litigation, complaints, or enforcement actions, our financial condition could suffer.
- We may have difficulty accessing the service of banks, which may make it difficult for us to operate.
- Litigation may adversely affect our business, financial condition, and results of operations.
- Our insurance coverage may be inadequate to cover all significant risk exposures.
- We may become subject to legal proceedings and liability if our products are contaminated.
- Some of our lines of business rely on our third-party service providers to host and deliver services and data, and any interruptions or delays in these hosted services, security or privacy breaches, or failures in data collection could expose us to liability and harm our business and reputation.
- Disruptions to cultivation, manufacturing and distribution of cannabis in California and Nevada may negatively affect our access to products for sale at our dispensaries.
- High tax rates on cannabis and compliance costs in California and Nevada may limit our customer base.
- Federal income tax reform could have unforeseen effects on our financial condition and results of operations.
- Inadequate funding for the Department of Justice (DOJ) and other government agencies could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.
- California's Phase-In of Laboratory Testing Requirements could impact the availability of the products sold in our dispensary.
- There is uncertainty related to the regulation of vaporization products and certain other consumption accessories. Increased regulatory compliance burdens could have a material adverse impact on our business development efforts and our operations.
- The scientific community has not yet extensively studied the long-term health effects of the use of vaporizer products.
- If product liability lawsuits are brought against us, we will incur substantial liabilities.
- We may not be able to realize gains from our investment in Hydrofarm.
- Unionization of employees could have a material adverse impact on our business.
- Inadequate funding for state and local regulatory agencies and the effects of COVID-19 could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.
- Competition from Synthetic Production and Technological Advances
- Risks inherent in an Agricultural Business.
- Unfavorable Publicity or Consumer Perception.

Risks Related to an Investment in Our Securities

- We expect to experience volatility in the price of our Common Stock, which could negatively affect stockholders' investments.
- Our Common Stock is categorized as "penny stock," which may make it more difficult for investors to sell their shares of Common Stock due to suitability requirements.
- Financial Industry Regulatory Authority ("FINRA") sales practice requirements may also limit a stockholder's ability to buy and sell our Common Stock, which could depress the price of our Common Stock.
- The elimination of monetary liability against our directors, officers, and employees under Nevada law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.
- We may issue additional shares of Common Stock or Preferred Stock in the future, which could cause significant dilution to all stockholders.
- Anti-takeover effects of certain provisions of Nevada state law hinder a potential takeover of us.
- Because we do not intend to pay any cash dividends on our Common Stock, our stockholders will not be able to receive a return on their shares unless they sell them.
- Failure to execute our strategies could result in impairment of goodwill or other intangible assets, which may negatively impact profitability.

Risks Relating to Our Business, Financial Position and Industry

Our business may be adversely affected by the ongoing coronavirus pandemic.

In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan, China. This virus continues to spread globally and efforts to contain the spread of COVID-19 have intensified. The outbreak and any preventative or protective actions that governments or we may take in respect of COVID-19 may result in a period of business disruption and reduced operations. Any resulting financial impact cannot be reasonably estimated at this time but may materially affect our business, financial condition and results of operations. The extent to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. There may be interruptions to our supply chain due to the inability of manufacturers to continue normal business operations and to ship products. In addition, a significant outbreak of COVID-19 or other infectious diseases could result in a widespread health crisis that could adversely affect the economies and financial markets worldwide, resulting in an economic downturn that could impact our business, financial condition and results of operations. We are currently working to enhance our business continuity plans to include measures to protect our employees in the event of infection in our corporate offices, or in response to potential mandatory quarantines.

We have had significant changes to our operations, which may make it difficult for investors to predict future performance based on current operations.

We have had significant changes to our operations which changes the relevance of our historical performance upon which investors may base an evaluation of our potential future performance. In particular, we have not proven that we can sell cannabis products in a manner that enables us to be profitable and meet customer requirements, obtain the necessary permits and/or achieve certain milestones to develop our dispensary businesses, enhance our line of cannabis products, including IVXX, develop and maintain relationships with key manufacturers and strategic partners to extract value from our intellectual property, raise sufficient capital in the public and/or private markets, or respond effectively to competitive pressures. As a result, there can be no assurance that we will be able to develop or maintain consistent revenue sources, or that our operations will be profitable and/or generate positive cash flow.

Any forecasts we make about our operations may prove to be inaccurate. We must, among other things, determine appropriate risks, rewards, and level of investment in our product lines, respond to economic and market variables outside of our control, respond to competitive developments and continue to attract, retain, and motivate qualified employees. There can be no assurance that we will be successful in meeting these challenges and addressing such risks and the failure to do so could have a materially adverse effect on our business, results of operations, and financial condition. Our prospects must be considered in light of the risks, expenses, and difficulties frequently encountered by companies in the early stage of development. As a result of these risks, challenges, and uncertainties, the value of your investment could be significantly reduced or completely lost.

We have incurred significant losses in prior periods, and losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due and on our cash flow.

We have incurred significant losses in prior periods. For the year ended December 31, 2020, we incurred a net loss of $30.12 million and, as of that date, we had an accumulated deficit of $219.80 million. For the year ended December 31, 2019, we incurred a net loss of $46.93 million and, as of that date, we had an accumulated deficit of $189.67 million. Any losses in the future could cause the quoted price of our Common Stock to decline or have a material adverse effect on our financial condition, our ability to pay our debts as they become due, and on our cash flow.

We will likely need additional capital to sustain our operations and will likely need to seek further financing, which we may not be able to obtain on acceptable terms, or at all. If we fail to raise additional capital, as needed, our ability to implement our business model and strategy could be compromised.

We have limited capital resources and operations. To date, our operations have been funded primarily from the proceeds of debt and equity financings. We expect to require substantial capital in the near future to commence operations at additional cultivation and production facilities, expand our product lines, develop our intellectual property base, and establish our targeted levels of commercial production. We may not be able to obtain additional financing on terms acceptable to us, or at all. In particular, because marijuana is illegal under federal law, we may have difficulty attracting investors.

Even if we obtain financing for our near-term operations, we expect that we will require additional capital thereafter. Our capital needs will depend on numerous factors including: (i) our profitability; (ii) the release of competitive products by our competition; (iii) the level of our investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions. We cannot provide assurance that we will be able to obtain capital in the future to meet our needs.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership held by our existing stockholders will be reduced and our stockholders may experience significant dilution. In addition, new securities may contain rights, preferences, or privileges that are senior to those of our Common Stock. If we raise additional capital by incurring debt, this will result in increased interest expense. If we raise additional funds through the issuance of securities, market fluctuations in the price of our shares of Common Stock could limit our ability to obtain equity financing.

We cannot provide any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us. If we are unable to raise capital when needed, our business, financial condition, and results of operations would be materially adversely affected, and we could be forced to reduce or discontinue our operations.

We face intense competition and many of our competitors have greater resources that may enable them to compete more effectively.

The industries in which we operate in general are subject to intense and increasing competition. Some of our competitors may have greater capital resources, facilities, and diversity of product lines, which may enable them to compete more effectively in this market. Our competitors may devote their resources to developing and marketing products that will directly compete with our product lines. Due to this competition, there is no assurance that we will not encounter difficulties in obtaining revenues and market share or in the positioning of our products. There are no assurances that competition in our respective industries will not lead to reduced prices for our products. If we are unable to successfully compete with existing companies and new entrants to the market this will have a negative impact on our business and financial condition.

If we fail to protect our intellectual property, our business could be adversely affected.

Our viability will depend, in part, on our ability to develop and maintain the proprietary aspects of our intellectual property to distinguish our products from our competitors' products. We rely on copyrights, trademarks, trade secrets, and confidentiality provisions to establish and protect our intellectual property. We may not be able to enforce some of our intellectual property rights because cannabis is illegal under federal law.

Any infringement or misappropriation of our intellectual property could damage its value and limit our ability to compete. We may have to engage in litigation to protect the rights to our intellectual property, which could result in significant litigation costs and require a significant amount of our time. In addition, our ability to enforce and protect our intellectual property rights may be limited in certain countries outside the United States, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by us.

Competitors may also harm our sales by designing products that mirror our products or processes that do not infringe on our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

We may also find it necessary to bring infringement or other actions against third parties to seek to protect our intellectual property rights. Litigation of this nature, even if successful, is often expensive and time-consuming to prosecute and there can be no assurance that we will have the financial or other resources to enforce our rights or be able to enforce our rights or prevent other parties from developing similar products or processes or designing around our intellectual property.

Although we believe that our products and processes do not and will not infringe or violate the intellectual property rights of others, it is possible such infringement or violation has occurred or may occur, which could have a material adverse effect on our business.

We are not aware of any infringement by us of any person's or entity's intellectual property rights. In the event that products we sell or processes we employ are deemed to infringe upon the patents or proprietary rights of others, we could be required to modify our products or processes or obtain a license for the manufacture and/or sale of such products or processes or cease selling such products or employing such processes. In such event, we may not be able to modify our products or secure a license in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do any of the foregoing could have a material adverse effect upon our business.

We may not have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. If our products or processes are deemed to infringe or likely to infringe upon the patents or proprietary rights of others, we could be subject to injunctive relief and, under certain circumstances, become liable for damages, which could also have a material adverse effect on our business and our financial condition.

Our trade secrets may be difficult to protect.

Our success depends upon the skills, knowledge, and experience of our scientific and technical personnel, our consultants and advisors, as well as our licensors and contractors. Because we operate in several highly competitive industries, we rely in part on trade secrets to protect our proprietary technology and processes. However, trade secrets are difficult to protect. We enter into confidentiality or non-disclosure agreements with our corporate partners, employees, consultants, outside scientific collaborators, developers, and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third parties, confidential information developed by the receiving party or made known to the receiving party by us during the course of the receiving party's relationship with us. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to us will be our exclusive property, and we enter into assignment agreements to perfect our rights.

These confidentiality, inventions, and assignment agreements may be breached and may not effectively assign intellectual property rights to us. Our trade secrets could also be independently discovered by competitors, in which case we would not be able to prevent the use of such trade secrets by our competitors. The enforcement of a claim alleging that a party illegally obtained and was using our trade secrets could be difficult, expensive, and time consuming and the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect our competitive position.

Our business, financial condition, results of operations, and cash flow may in the future be negatively impacted by challenging global economic conditions.

Future disruptions and volatility in global financial markets and declining consumer and business confidence could lead to decreased levels of consumer spending. These macroeconomic developments could negatively impact our business, which depends on the general economic environment and levels of consumer spending. As a result, we may not be able to maintain our existing customers or attract new customers, or we may be forced to reduce the price of our products. We are unable to predict the likelihood of the occurrence, duration, or severity of such disruptions in the credit and financial markets and adverse global economic conditions. Any general or market-specific economic downturn could have a material adverse effect on our business, financial condition, results of operations, and cash flow.

Our future success depends on our key executive officers and our ability to attract, retain, and motivate qualified personnel.

Our future success largely depends upon the continued services of our executive officers and management team. If one or more of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. Additionally, we may incur additional expenses to recruit and retain new executive officers. If any of our executive officers joins a competitor or forms a competing company, we may lose some or all of our customers. Finally, we do not maintain "key person" life insurance on any of our executive officers. Because of these factors, the loss of the services of any of these key persons could adversely affect our business, financial condition, and results of operations, and thereby an investment in our stock.

Our continuing ability to attract and retain highly qualified personnel will also be critical to our success because we will need to hire and retain additional personnel as our business grows. There can be no assurance that we will be able to attract or retain highly qualified personnel. We face significant competition for skilled personnel in our industries. In particular, if the marijuana industry continues to grow, demand for personnel may become more competitive. This competition may make it more difficult and expensive to attract, hire, and retain qualified managers and employees. Because of these factors, we may not be able to effectively manage or grow our business, which could adversely affect our financial condition or business. As a result, the value of your investment could be significantly reduced or completely lost.

We may not be able to effectively manage our growth or improve our operational, financial, and management information systems, which would impair our results of operations.

In the near term, we intend to expand the scope of our operations activities significantly. If we are successful in executing our business plan, we will experience growth in our business that could place a significant strain on our business operations, finances, management, and other resources. The factors that may place strain on our resources include, but are not limited to, the following:

- The need for continued development of our financial and information management systems;
- The need to manage strategic relationships and agreements with manufacturers, customers, and partners; and
- Difficulties in hiring and retaining skilled management, technical, and other personnel necessary to support and manage our business.

Additionally, our strategy envisions a period of rapid growth that may impose a significant burden on our administrative and operational resources. Our ability to effectively manage growth will require us to substantially expand the capabilities of our administrative and operational resources and to attract, train, manage, and retain qualified management and other personnel. There can be no assurance that we will be successful in recruiting and retaining new employees or retaining existing employees.

Our management may not be able to manage this growth effectively. Our failure to successfully manage growth could result in our sales not increasing commensurately with capital investments or otherwise materially adversely affecting our business, financial condition, or results of operations.

If we are unable to continually innovate and increase efficiencies, our ability to attract new customers may be adversely affected.

In the area of innovation, we must be able to develop new technologies and products that appeal to our customers. This depends, in part, on the technological and creative skills of our personnel and on our ability to protect our intellectual property rights. We may not be successful in the development, introduction, marketing, and sourcing of new technologies or innovations, that satisfy customer needs, achieve market acceptance, or generate satisfactory financial returns.

We depend on the popularity of consumer acceptance of our product lines, including IVXX.

Our ability to generate revenue and be successful in the implementation of our business plan is dependent on consumer acceptance and demand of our product lines, including IVXX. Acceptance of our products will depend on several factors, including availability, cost, ease of use, familiarity of use, convenience, effectiveness, safety, and reliability. If customers do not accept our products, or if we fail to meet customers' needs and expectations adequately, our ability to continue generating revenues could be reduced.

A drop in the retail price of medical and adult use marijuana products may negatively impact our business.

The demand for our products depends in part on the price of commercially grown marijuana. Fluctuations in economic and market conditions that impact the prices of commercially grown marijuana, such as increases in the supply of such marijuana and the decrease in the price of products using commercially grown marijuana, could cause the demand for medical marijuana products to decline, which would have a negative impact on our business.

Federal regulation and enforcement may adversely affect the implementation of cannabis laws and regulations may negatively impact our revenues and profits.

Currently, there are 37 states plus the District of Columbia that have laws and/or regulations that recognize, in one form or another, legitimate medical and adult uses for cannabis and consumer use of cannabis in connection with medical treatment. Many other states are considering similar legislation. Conversely, under the CSA, the policies and regulations of the federal government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. Unless and until Congress amends the CSA with respect to medical marijuana, there is a risk that federal authorities may enforce current federal law, and we may be deemed to be producing, cultivating, or dispensing marijuana in violation of federal law. Active enforcement of the current federal regulatory position on cannabis may therefore indirectly and adversely affect our revenues and profits. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings, and stated federal policy remains uncertain.

Since the start of the new congress, there have been "positive" discussions about the Federal Government's approach to cannabis. The DOJ has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property but has relied on state and local law enforcement to address marijuana activity. With the change of the Attorney General, the DOJ has not signaled any change in their enforcement efforts. In the event the DOJ reverses its stated policy and begins strict enforcement of the CSA in states that have laws legalizing medical marijuana and recreational marijuana in small amounts, there may be a direct and adverse impact to our business and our revenue and profits. Furthermore, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the DOJ pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including Nevada and California, from implementing their own laws that authorized the use, distribution, possession, or cultivation of medical marijuana.

We could be found to be violating laws related to cannabis.

Currently, there are 37 states plus the District of Columbia that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Many other states are considering similar legislation. Conversely, under the CSA, the policies and regulations of the federal government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. Unless and until Congress amends the CSA with respect to medical marijuana, as to the timing or scope of any such amendments there can be no assurance, there is a risk that federal authorities may enforce current federal law. The risk of strict enforcement of the CSA in light of Congressional activity, judicial holdings, and stated federal policy remains uncertain. Because we cultivate, produce, sell and distribute medical marijuana, we have risk that we will be deemed to facilitate the selling or distribution of medical marijuana in violation of federal law. Finally, we could be found in violation of the CSA in connection with the sale of IVXX's products. This would cause a direct and adverse effect on our subsidiaries' businesses, or intended businesses, and on our revenue and prospective profits.

Variations in state and local regulation, and enforcement in states that have legalized cannabis, may restrict cannabis-related activities, which may negatively impact our revenues and prospective profits.

Individual state and local laws do not always conform to the federal standard or to other states' laws. A number of states have decriminalized marijuana to varying degrees, other states have created exemptions specifically for medical cannabis, and several have both decriminalization and medical laws. As of December 2020, 15 states and the District of Columbia have legalized the recreational use of cannabis. Variations exist among states that have legalized, decriminalized, or created medical marijuana exemptions. For example, certain states have limits on the number of marijuana plants that can be homegrown. In most states, the cultivation of marijuana for personal use continues to be prohibited except for those states that allow small-scale cultivation by the individual in possession of medical marijuana needing care or that person's caregiver. Active enforcement of state laws that prohibit personal cultivation of marijuana may indirectly and adversely affect our business and our revenue and profits.

In November 2016, California voters approved Proposition 64, also known as the Adult Use of Marijuana Act ("AUMA"), in a ballot initiative. Among other things, the AUMA makes it legal for adults over the age of 21 to use marijuana and to possess up to 28.5 grams of marijuana flowers and 8 grams of marijuana concentrates. Individuals are also permitted to grow up to six marijuana plants for personal use. In addition, the AUMA establishes a licensing system for businesses to, among other things, cultivate, process and distribute marijuana products under certain conditions. On January 1, 2018 the California Bureau of Cannabis Control enacted regulations to implement the AUMA.

Also, in November 2016, Nevada voters approved Question 2 in a ballot initiative. Among other things, Question 2 makes it legal for adults over the age of 21 to use marijuana and to possess up to one ounce of marijuana flowers and one-eighth of an ounce of marijuana concentrates. Individuals are also permitted to grow up to six marijuana plants for personal use. In addition, Question 2 authorizes businesses to cultivate, process and distribute marijuana products under certain conditions. The Nevada Department of Taxation enacted regulations to implement Question 2 in the summer of 2017.

If we are unable to obtain and maintain the permits and licenses required to operate our business in compliance with state and local regulations in California, we may experience negative effects on our business and results of operations.

Prospective customers may be deterred from doing business with a company with a significant nationwide online presence because of fears of federal or state enforcement of laws prohibiting possession and sale of medical or recreational marijuana.

Our website is visible in jurisdictions where medicinal and adult use of marijuana is not permitted and, as a result, we may be found to be violating the laws of those jurisdictions.

Marijuana remains illegal under federal law.

Marijuana is a Schedule-I controlled substance and is illegal under federal law. Even in those states in which the use of marijuana has been legalized, its use remains a violation of federal law. Since federal law criminalizing the use of marijuana preempts state laws that legalize its use, strict enforcement of federal law regarding marijuana would likely result in our inability to proceed with our business plan, especially in respect of our marijuana cultivation, production and dispensaries. In addition, our assets, including real property, cash, equipment and other goods, could be subject to asset forfeiture because marijuana is still federally illegal.

We are not able to deduct some of our business expenses.

Section 280E of the Internal Revenue Code prohibits marijuana businesses from deducting their ordinary and necessary business expenses, forcing us to pay higher effective federal tax rates than similar companies in other industries. The effective tax rate on a marijuana business depends on how large its ratio of nondeductible expenses is to its total revenues. Therefore, our marijuana business may be less profitable than it could otherwise be.

We may not be able to attract or retain a majority of independent directors.

Our board of directors is currently comprised of a majority of independent directors. However, through much of our history our board was not comprised of a majority of independent directors. We may in the future desire to list our common stock on The New York Stock Exchange ("NYSE") or The NASDAQ Stock Market ("NASDAQ"), both of which require that a majority of our board be comprised of independent directors. We may have difficulty attracting and retaining independent directors because, among other things, we operate in the marijuana industry, and as a result we may be delayed or prevented from listing our common stock on the NYSE or NASDAQ.

We may not be able to successfully execute on our merger and acquisition strategy.

Our business plan depends in part on merging with or acquiring other businesses in the marijuana industry. The success of any acquisition will depend upon, among other things, our ability to integrate acquired personnel, operations, products and technologies into our organization effectively, to retain and motivate key personnel of acquired businesses, and to retain their customers. Any acquisition may result in diversion of management's attention from other business concerns, and such acquisition may be dilutive to our financial results and/or result in impairment charges and write-offs. We might also spend time and money investigating and negotiating with potential acquisition or investment targets, but not complete the transaction.

Although we expect to realize strategic, operational and financial benefits as a result of our acquisitions, we cannot predict whether and to what extent such benefits will be achieved. There are significant challenges to integrating an acquired operation into our business.

Any future acquisition could involve other risks, including the assumption of unidentified liabilities for which we, as a successor owner, may be responsible. These transactions typically involve a number of risks and present financial and other challenges, including the existence of unknown disputes, liabilities, or contingencies and changes in the industry, location, or regulatory or political environment in which these investments are located, that our due diligence review may not adequately uncover and that may arise after entering into such arrangements.

Laws and regulations affecting the medical and adult use marijuana industry are constantly changing, which could detrimentally affect our cultivation, production and dispensary operations, and the business of IVXX.

Local, state, and federal medical and adult use marijuana laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter certain aspects of our business plan. In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of our business plan and result in a material adverse effect on certain aspects of our planned operations. In addition, it is possible that regulations may be enacted in the future that will be directly applicable to certain aspects of our cultivation, production and dispensary businesses, and our business of selling cannabis products through IVXX. We cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on our business.

We may not obtain the necessary permits and authorizations to operate the medical and adult use marijuana business.

We may not be able to obtain or maintain the necessary licenses, permits, authorizations, or accreditations for our cultivation, production and dispensary businesses, or may only be able to do so at great cost. In addition, we may not be able to comply fully with the wide variety of laws and regulations applicable to the medical and adult use marijuana industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations, or accreditations could result in restrictions on our ability to operate the medical and adult use marijuana business, which could have a material adverse effect on our business.

If we incur substantial liability from litigation, complaints, or enforcement actions, our financial condition could suffer.

Our participation in the medical and adult use marijuana industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against us. Litigation, complaints, and enforcement actions could consume considerable amounts of financial and other corporate resources, which could have a negative impact on our sales, revenue, profitability, and growth prospects. We have not been, and are not currently, subject to any material litigation, complaint, or enforcement action regarding marijuana (or otherwise) brought by any federal, state, or local governmental authority. IVXX is presently engaged in the distribution of marijuana; however, we have not been, and are not currently, subject to any material litigation, complaint or enforcement action regarding marijuana (or otherwise) brought by any federal, state, or local governmental authority with respect to IVXX's business.

We may have difficulty accessing the service of banks, which may make it difficult for us to operate.

Since the use of marijuana is illegal under federal law, many banks will not accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty finding a bank willing to accept their business. The inability to open or maintain bank accounts may make it difficult for us to operate our medical and adult use marijuana businesses. If any of our bank accounts are closed, we may have difficulty processing transactions in the ordinary course of business, including paying suppliers, employees and landlords, which could have a significant negative effect on our operations.

Litigation may adversely affect our business, financial condition, and results of operations.

From time to time in the normal course of our business operations, we may become subject to litigation that may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operations are required. The cost to defend such litigation may be significant and may require a diversion of our resources. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. Insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims could adversely affect our business and the results of our operations.

Our insurance coverage may not cover all significant risk exposures.

We will be exposed to liabilities that are unique to the products we provide. While we intend to maintain insurance for certain risks, the amount of our insurance coverage may not be adequate to cover all claims or liabilities, and we may be forced to bear substantial costs resulting from risks and uncertainties of our business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. In particular, we have had difficulty obtaining insurance because we operate in the marijuana industry. The failure to obtain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on our business, financial condition, and results of operations. We do not have any business interruption insurance. Any business disruption or natural disaster could result in substantial costs and diversion of resources.

We may become subject to legal proceedings and liability if our products are contaminated.

We source some of our products from third-party suppliers. Although we verify that the products we receive from third-party suppliers are adequately tested, we may not identify all contamination in those products. Possible contaminates include pesticides, molds and fungus. If any of our products harm a customer, they may sue us in addition to the supplier, and we may not have adequate insurance to cover any such claims, which could result in a negative effect on our results of operations.

Some of our lines of business rely on our third-party service providers to host and deliver services and data, and any interruptions or delays in these hosted services, security or privacy breaches, or failures in data collection could expose us to liability and harm our business and reputation.

Some of our lines of business and services, including our dispensaries, rely on services hosted and controlled directly by third-party service providers. We do not have redundancy for all of our systems, many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities. If our business relationship with a third-party provider of hosting or software services is negatively affected, or if one of our service providers were to terminate its agreement with us, we might not be able to deliver access to our data, which could subject us to reputational harm and cause us to lose customers and future business, thereby reducing our revenue.

We hold large amounts of customer data, some of which is hosted in third-party facilities. A security incident at those facilities or ours may compromise the confidentiality, integrity or availability of customer data. Unauthorized access to customer data stored on our computers or networks may be obtained through break-ins, breaches of our secure network by an unauthorized party, employee theft or misuse or other misconduct. It is also possible that unauthorized access to customer data may be obtained through inadequate use of security controls by customers. Accounts created with weak passwords could allow cyber-attackers to gain access to customer data. If there were an inadvertent disclosure of customer information, or if a third party were to gain unauthorized access to the information we possess on behalf of our customers, our operations could be disrupted, our reputation could be damaged and we could be subject to claims or other liabilities. In addition, such perceived or actual unauthorized disclosure of the information we collect or breach of our security could damage our reputation, result in the loss of customers and harm our business.

Because of the large amount of data we collect and manage using our hosted solutions, it is possible that hardware or software failures or errors in our systems (or those of our third-party service providers) could result in data loss or corruption, cause the information that we collect to be incomplete or contain inaccuracies that our customers regard as significant or cause us to fail to meet committed service levels. Furthermore, our ability to collect and report data may be delayed or interrupted by a number of factors, including access to the Internet, the failure of our network or software systems or security breaches. In addition, computer viruses or other malware may harm our systems, causing us to lose data, and the transmission of computer viruses or other malware could expose us to litigation. We may also find, on occasion, that we cannot deliver data and reports in near real time because of a number of factors, including failures of our network or software. If we supply inaccurate information or experience interruptions in our ability to capture, store and supply information in near real time or at all, our reputation could be harmed and we could lose customers, or we could be found liable for damages or incur other losses.

Loss of access to our data could have a negative impact on our business and results of operations. In particular, the states in which we operate require that we maintain certain information about our customers and transactions. If we fail to maintain such information, we could be in violation of state laws.

Disruptions to cultivation, manufacturing and distribution of cannabis in California and Nevada may negatively affect our access to products for sale at our dispensaries.

California and Nevada laws and regulations require us to purchase products only from licensed vendors and through licensed distributors. To date, a relatively small number of licenses have been issued in California to cultivate, manufacture and distribute cannabis products. We have obtained a license to distribute products from our cultivation and manufacturing facilities to our dispensaries, however we currently do not cultivate and manufacture enough of our own products to satisfy customer demand. In addition, we carry products cultivated and manufactured by third parties. As a result, if an insufficient number of cultivators, manufacturers and distributors are able to obtain licenses our ability to purchase products and have them delivered to our dispensaries may be limited and may impact our sales.

High tax rates on cannabis and compliance costs in California and Nevada may limit our customer base.

The State of California imposes a 15.0% excise tax and state of Nevada imposes a 10% excise tax on products sold at licensed cannabis dispensaries. Local jurisdictions typically impose additional taxes on cannabis products. In addition, we incur significant costs complying with state and local laws and regulations. As a result, products sold at our dispensaries will likely cost more than similar products sold by unlicensed vendors and we may lose market share to those vendors.

Federal income tax reform could have unforeseen effects on our financial condition and results of operations.

The Tax Cuts and Jobs Act, or the Tax Act, was enacted on December 22, 2017, and contains many changes to U.S. federal tax laws. The Tax Act requires complex computations that were not previously provided for under U.S. tax law and significantly revised the U.S. tax code by, among other changes, lowering the corporate income tax rate from 35% to 21%, requiring a one-time transition tax on accumulated foreign earnings of certain foreign subsidiaries that were previously tax deferred and creating new taxes on certain foreign sourced earnings. At December 31, 2020, the Company has completed its accounting for the tax effects of the 2017 Tax Act. However, additional guidance may be issued by the Internal Revenue Service (the"IRS"), the Department of the Treasury, or other governing body that may significantly differ from our interpretation of the law, which may result in a material adverse effect on our business, cash flow, results of operations or financial conditions.

Inadequate funding for the DOJ and other government agencies could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.

In an effort to provide guidance to federal law enforcement, the DOJ has issued Guidance Regarding Marijuana Enforcement to all United States Attorneys in a memorandum from Deputy Attorney General David Ogden on October 19, 2009, in a memorandum from Deputy Attorney General James Cole on June 29, 2011 and in a memorandum from Deputy Attorney General James Cole on August 29, 2013. Each memorandum provides that the DOJ is committed to the enforcement of the CSA but, the DOJ is also committed to using its limited investigative and prosecutorial resources to address the most significant threats in the most effective, consistent, and rational way.

The DOJ has not historically devoted resources to prosecuting individuals whose conduct is limited to possession of small amounts of marijuana for use on private property but has relied on state and local law enforcement to address marijuana activity. In the event the DOJ reverses its stated policy and begins strict enforcement of the CSA in states that have laws legalizing medical marijuana and recreational marijuana in small amounts, there may be a direct and adverse impact to our business and our revenue and profits. Furthermore, H.R. 83, enacted by Congress on December 16, 2014, provides that none of the funds made available to the DOJ pursuant to the 2015 Consolidated and Further Continuing Appropriations Act may be used to prevent certain states, including Nevada and California, from implementing their own laws that authorized the use, distribution, possession, or cultivation of medical marijuana. If a prolonged government shutdown occurs, it could enable the DOJ to enforce the CSA in states that have laws legalizing medical marijuana.

California's Phase-In of Laboratory Testing Requirements could impact the availability of the products sold in our dispensary.

Beginning July 1, 2018, cannabis goods must meet all statutory and regulatory requirements. A licensee can only sell cannabis goods that have been tested by a licensed testing laboratory and have passed all statutory and regulatory testing requirements. In order to be sold, cannabis goods harvested or manufactured prior to January 1, 2018, must be tested by a licensed testing laboratory and must comply with all testing requirements in section 5715 of the Bureau of Cannabis Control ("BCC") regulations. Cannabis goods that do not meet all statutory and regulatory requirements must be destroyed in accordance with the rules pertaining to destruction.

There is uncertainty related to the regulation of vaporization products and certain other consumption accessories. Increased regulatory compliance burdens could have a material adverse impact on our business development efforts and our operations.

There is uncertainty regarding whether and in what circumstances federal, state, or local regulatory authorities will seek to develop and enforce regulations relative to vaporizer hardware and accessories that can be used to vaporize cannabis and/or tobacco. Further, it remains to be seen whether current or future regulations relating to tobacco vaporization products would also apply to cannabis vaporization products and related consumption accessories.

There has been increasing activity on the federal, state, and local levels with respect to scrutiny of vaporizer products. Federal, state, and local governmental bodies across the United States have indicated that vaporization products and certain other consumption accessories may become subject to new laws and regulations at the state and local levels. For example, in September 2019, the Trump Administration announced a plan to ban the sale of most flavored e-cigarettes nationwide. At the state level, over 25 states have implemented statewide regulations that prohibit vaping in public places. In January 2015, the California Department of Health declared electronic cigarettes and certain other vaporizer products a health threat that should be strictly regulated like tobacco products, and in September 2019, California's governor issued an executive order on vaping, focused on enforcement and disclosure. Many states, provinces, and some cities have passed laws restricting the sale of electronic cigarettes and certain other tobacco vaporizer products. Some cities have also implemented more restrictive measures than their state counterparts, such as San Francisco, which in June 2018, approved a new ban on the sale of flavored tobacco products, including vaping liquids and menthol cigarettes. In August 2020, California prohibited the sale of most flavored tobacco products, including menthol cigarettes.

The application of any new laws or regulations that may be adopted in the future, at a federal, state, or local level, directly or indirectly implicating cannabis vaporization products or consumption accessories could limit our ability to sell such products, result in additional compliance expenses, and require us to change our labeling and methods of distribution, any of which could have a material adverse effect on our business, results of operations and financial condition.

The scientific community has not yet extensively studied the long-term health effects of the use of vaporizer products.

Cannabis vaporizers and related products were recently developed and therefore the scientific community has not had a sufficient period of time to study the long-term health effects of their use. If the scientific community were to determine conclusively that use of any or all of these products poses long-term health risks, market demand for these products and their use could materially decline. Such a determination could also lead to litigation and significant regulation. Loss of demand for our product, product liability claims, and increased regulation stemming from unfavorable scientific studies on these products could have a material adverse effect on our business, results of operations, and financial condition.

If product liability lawsuits are brought against us, we will incur substantial liabilities.

We face an inherent risk of product liability. For example, we could be sued if any product we sell allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts.

Furthermore, vaporizer products and other similar consumption product manufacturers, suppliers, distributors, and sellers have recently become subject to litigation. While we have not been a party to any product liability litigation and do not ourselves manufacture any products, several lawsuits have been brought against other manufacturers and sellers of smokeless products for injuries to health allegedly caused by use of smokeless products. We may be subject to similar claims in the future relating to vaporizer products that we sell. We may also be named as a defendant in product liability litigation against one of our suppliers by association, including in class action lawsuits. In addition, we may see increasing litigation over our vaporizer products or the regulation of our products as the regulatory regimes surrounding these products develop. If such lawsuits are filed against us in the future, we could incur substantial costs, including costs to defend the cases and possible damages awards.

If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit sales of our products. Even a successful defense of these hypothetical future cases would require significant financial and management resources. If we are unable to successfully defend these hypothetical future cases, we could face at least the following potential consequences:

- decreased demand for our products;
- injury to our reputation;
- costs to defend the related litigation;
- a diversion of management’s time and our resources;
- substantial monetary awards to users of our products;
- product recalls or withdrawals;
- loss of revenue; and
- a decline in our stock price.

In addition, while we continue to take what we believe are appropriate precautions, we may be unable to avoid significant liability if any product liability lawsuit is brought against us.

We may not be able to realize gains from our investment in Hydrofarm.

The Company owns 593,261 shares of common stock of Hydrofarm, a public company trading on the Nasdaq Global Select Market under the ticker symbol "HYFM", and warrants to acquire an additional 296,630 shares of Hydrofarm common stock at an exercise price of $16.86, both of which are subject to a lock-up until early June 2021. The shares of Hydrofarm common stock and the shares of Hydrofarm common stock underlying the warrants may not appreciate or may decline in value. In addition, there may not be enough liquidity in the market for Hydrofarm common stock for us to sell the number of share we desire to sell when the lock-up expires. As a result, we may not be able to realize gains from our investment in Hydrofarm.

Unionization of employees could have a material adverse impact on our business.

Employees in our Blum Oakland and Blum San Leandro facilities are unionized. We could face an increased risk of work stoppages and higher labor costs wherever labor is organized. If additional employees at our dispensaries, production or cultivation facilities were to unionize, our relationship with our employees could be adversely affected. Accordingly, unionization of our employees could have a material adverse impact on our operating costs and financial condition and could force us to raise prices on our products or curtail operations.

Inadequate funding for state and local regulatory agencies and the effects of COVID-19 could hinder their ability to perform normal business functions on which the operation of our business may rely, which could negatively impact our business.

We operate in a highly regulated industry and rely on state and local regulatory agencies to issue licenses to operate our business and, in some cases, approve transfers of ownership interests in the event we intend to dispose of assets. Since the onset of the COVID-19 pandemic, many state and local regulatory agencies have been operating at reduced capacity which has resulted in delayed approvals of transfers of ownership interests. As a result, receiving necessary regulatory approvals for the pending transfers of our three Nevada dispensaries has taken longer than anticipated and any future transfers may also be delayed. To the extent we rely on the proceeds from those transfers to fund our operations, continued delays may negatively impact our business.

Competition from Synthetic Production and Technological Advances could adversely impact our profitability.

The pharmaceutical industry may attempt to dominate the cannabis industry, and in particular, legal cannabis, through the development and distribution of synthetic products which emulate the effects and treatment of organic cannabis. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the cannabis industry. This could materially adversely affect the ability of the Company to secure long-term profitability and success through the sustainable and profitable operation of its business.

There are Risks Inherent in an Agricultural Business.

Medical and adult-use cannabis is an agricultural product. There are risks inherent in the cultivation business, such as insects, plant diseases and similar agricultural risks. Although the products are usually grown indoors or in green houses under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on the production of the products and, consequentially, on the business, financial condition and operating results of the Company.

We may suffer from Unfavorable Publicity or Consumer Perception.

The legal cannabis industry in the U.S. is at an early stage of its development. Cannabis has been, and is expected to continue to be, a controlled substance. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of cannabis are mixed and evolving. Consumer perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for cannabis and on the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity, reports or other media attention regarding cannabis in general, or associating the consumption of cannabis with negative effects or events, could have such a material adverse effect.

Risks Related to an Investment in Our Securities

We expect to experience volatility in the price of our Common Stock, which could negatively affect stockholders' investments.

The trading price of our Common Stock may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. The stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with securities traded in those markets. Broad market and industry factors may seriously affect the market price of companies' stock, including ours, regardless of actual operating performance. All of these factors could adversely affect your ability to sell your shares of Common Stock or, if you are able to sell your shares, to sell your shares at a price that you determine to be fair or favorable.

Our Common Stock is categorized as "penny stock," which may make it more difficult for investors to sell their shares of Common Stock due to suitability requirements.

Our Common Stock is categorized as "penny stock." The Securities and Exchange Commission has adopted Rule 15g-9, which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. The price of our Common Stock is significantly less than $5.00 per share and is therefore considered "penny stock." This designation imposes additional sales practice requirements on broker-dealers who sell to persons other than established customers and accredited investors. The penny stock rules require a broker-dealer buying our securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities given the increased risks generally inherent in penny stocks. These rules may restrict the ability and/or willingness of brokers or dealers to buy or sell our Common Stock, either directly or on behalf of their clients, may discourage potential stockholders from purchasing our Common Stock, or may adversely affect the ability of stockholders to sell their shares.

Financial Industry Regulatory Authority ("FINRA") sales practice requirements may also limit a stockholder's ability to buy and sell our Common Stock, which could depress the price of our Common Stock.

In addition to the "penny stock" rules described above, FINRA has adopted rules that require a broker-dealer to have reasonable grounds for believing that the investment is suitable for that customer before recommending an investment to a customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. Thus, the FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit your ability to buy and sell our shares of Common Stock, have an adverse effect on the market for our shares of Common Stock, and thereby depress our price per share of Common Stock.

The elimination of monetary liability against our directors, officers, and employees under Nevada law and the existence of indemnification rights for our obligations to our directors, officers, and employees may result in substantial expenditures by us and may discourage lawsuits against our directors, officers, and employees.

Our Articles of Incorporation contain a provision permitting us to eliminate the personal liability of our directors to us and our stockholders for damages for the breach of a fiduciary duty as a director or officer to the extent provided by Nevada law. We may also have contractual indemnification obligations under any future employment agreements with our officers or agreements entered into with our directors. The foregoing indemnification obligations could result in us incurring substantial expenditures to cover the cost of settlement or damage awards against directors and officers, which we may be unable to recoup. These provisions and the resulting costs may also discourage us from bringing a lawsuit against directors and officers for breaches of their fiduciary duties; and may similarly discourage the filing of derivative litigation by our stockholders against our directors and officers even though such actions, if successful, might otherwise benefit us and our stockholders.

We may issue additional shares of Common Stock or Preferred Stock in the future, which could cause significant dilution to all stockholders.

Our Articles of Incorporation authorize the issuance of up to 990,000,000 shares of Common Stock and 50,000,000 shares of preferred stock, with a par value of $0.001 per share. As of March 23, 2020, we had 231,754,219 shares of Common Stock outstanding; however, we may issue additional shares of Common Stock or preferred stock in the future in connection with a financing or an acquisition. Such issuances may not require the approval of our stockholders. In addition, certain of our outstanding rights to purchase additional shares of Common Stock or securities convertible into our Common Stock are subject to full-ratchet anti-dilution protection, which could result in the right to purchase significantly more shares of Common Stock being issued or a reduction in the purchase price for any such shares or both. Any issuance of additional shares of our Common Stock, or equity securities convertible into our Common Stock, including but not limited to, preferred stock, warrants, and options, will dilute the percentage ownership interest of all stockholders, may dilute the book value per share of our Common Stock, and may negatively impact the market price of our Common Stock.

Anti-takeover effects of certain provisions of Nevada state law hinder a potential takeover of us.

Nevada has a business combination law that prohibits certain business combinations between Nevada corporations and "interested stockholders" for three years after an "interested stockholder" first becomes an "interested stockholder," unless the corporation's board of directors approves the combination in advance. For purposes of Nevada law, an "interested stockholder" is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "business combination" is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquirer to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

The effect of Nevada's business combination law is potentially to discourage parties interested in taking control of us from doing so if they cannot obtain the approval of our Board. Both of these provisions could limit the price investors would be willing to pay in the future for shares of our Common Stock.

Because we do not intend to pay any cash dividends on our Common Stock, our stockholders will not be able to receive a return on their shares unless they sell them.

We intend to retain any future earnings to finance the development and expansion of our business. We do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. Declaring and paying future dividends, if any, will be determined by our Board, based upon earnings, financial condition, capital resources, capital requirements, restrictions in our Articles of Incorporation, contractual restrictions, and such other factors as our Board deems relevant. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them. There is no assurance that stockholders will be able to sell shares when desired.

Failure to execute our strategies could result in impairment of goodwill or other intangible assets, which may negatively impact profitability.

As of December 31, 2020, we have goodwill of $6.17 million and other intangible assets of $7.71 million, which represents 13.3% of our total assets. As of December 31, 2019, we had goodwill of $21.47 million and other intangible assets of $14.87 million, which represented 30.5% of our total assets. We evaluate goodwill for impairment on an annual basis or more frequently if impairment indicators are present based upon the fair value of each reporting unit. We assess the impairment of other intangible assets on an annual basis, or more frequently if impairment indicators are present, based upon the expected future cash flows of the respective assets. These valuations include management's estimates of sales, profitability, cash flow generation, capital structure, cost of debt, interest rates, capital expenditures, and other assumptions. Significant negative industry or economic trends, disruptions to our business, inability to achieve sales projections or cost savings, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of the assets or in entity structure, and divestitures may adversely impact the assumptions used in the valuations. If the estimated fair value of our reporting units changes in future periods, we may be required to record an impairment charge related to goodwill or other intangible assets, which would reduce earnings in such period.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

A summary of the offices and properties we lease or own are presented in the table below. Each of our facilities is considered to be in good condition, adequate for its purpose and suitably utilized according to the individual nature and requirements of the relevant operations.

Purpose	Location	Own or Lease	Base Monthly Rent	Lease Begin Date	Lease End Date
Corporate Headquarters	Irvine, CA	Lease	$ 19,806	5/1/2019	4/30/2024
Cultivation Facility (1)	Oakland, CA	Lease	$ 26,225	1/1/2017	12/31/2024
Cultivation Facility (1)(2)	Spanish Springs, NV	Own			
Dispensary (Bl m Oakland)/Cultivation Facility	Oakland, CA	Lease	$ 31,486	5/1/2016	3/31/2022
Dispensary (Bl m San Leandro)	San Leandro, CA	Lease	$ 26,225	1/1/2017	12/31/2024
Building (Dyer) (1)	Santa Ana, CA	Own			
Building (4th Street) (1)(2)	Las Vegas, NV	Own			

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(1) *Not open yet.*

(2) *For sale.*

ITEM 3. LEGAL PROCEEDINGS

See Note 21 – *"Litigation and Claims"* of the Notes to Consolidated Financial Statements in Part II of this Annual Report on Form 10-K, which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Common Stock is quoted on the OTC Markets Group, Inc.'s OTCQX tier under the symbol "TRTC." On March 23, 2021, the closing bid price on the OTC Markets Group, Inc.'s OTCQX tier for our Common Stock was $0.39.

Holders

As of March 23, 2021, there were 234,062,627 shares of Common Stock issued and 231,754,219 shares of Common Stock outstanding (excluding shares of Common Stock issuable upon conversion or conversion into shares of Common Stock of all of our warrants and options) held by approximately 209 stockholders of record. We believe that we have more than 296,500 beneficial holders of our Common Stock.

Dividends

We have not declared any dividends and we do not plan to declare any dividends in the foreseeable future. There are no restrictions in our Articles of Incorporation or Bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

- we would not be able to pay our debts as they become due in the usual course of business; or
- our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution, unless otherwise permitted under our Articles of Incorporation.

Securities Authorized for Issuance Under Equity Compensation Plans

On January 12, 2016, we adopted the 2016 Equity Incentive Plan (the "Plan"), and our stockholders approved the Plan at our annual meeting of stockholders that was held on September 26, 2016. Pursuant to the terms of the Plan, the maximum number of shares of Common Stock available for the grant of awards under the Plan shall not exceed 2.0 million. During the years ended December 31, 2016, 2017, and 2018, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 0.13 million, 0.21 million, and 0.20 million shares of Common Stock, respectively. The options have exercise prices of $2.54 - $4.68 per share, and generally vest quarterly over a three-year period.

On December 11, 2018, the Company's Board of Directors approved the 2018 Equity Incentive Plan (the "Plan"). On June 20, 2019, the Company adopted the Amended and Restated 2018 Equity Incentive Plan (the "2018 Plan"), and our stockholders approved the Plan at our annual meeting of stockholders that was held September 23, 2019. Pursuant to the terms of the 2018 Plan, the maximum number of shares of Common Stock available for the grant of awards under the 2018 Plan shall not exceed 13.00 million. On February 14, 2020, the Board approved an amendment (the "Plan Amendment") to the Company's Amended and Restated 2018 Equity Incentive Plan (the "Plan") to increase the number of shares available for issuance thereunder by 28.98 million shares of Terra Tech common stock for a total of 43.98 million shares of Terra Tech common stock, plus the number of shares, not to exceed 2.00 million shares, that may become available under the Company's 2016 Equity Incentive Plan after termination of awards thereunder, subject to adjustment in accordance with the terms of the Plan. During the years ended December 31, 2020, 2019, and 2018, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 12.11 million, 1.89 million, and 2.60 million shares of Common Stock, respectively. The options have exercise prices of $0.07 - $1.00 per share, and generally vest quarterly over a three-year period.

During the year ended December 31, 2018, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 0.35 million shares of Common Stock that were not subject to the 2016 Equity Plan or the 2018 Equity Plan. The options have exercise prices of $2.02 per share, and generally vest quarterly over a three-year period.

	Equity Compensation Plan Information		
Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights** (a)	**Range of Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights** (b)	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))** (c)
Equity Compensation Plans Approved By Security Holders	17,144,932	$ 0.072-5.035	28,831,493
Equity Compensation Plans Not Approved By Security Holders	347,898	2.02-3.75	-
Total	**17,492,830**	$ 0.072-5.035	**28,831,493**

Penny Stock Regulations

The SEC has adopted regulations that generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share. Our Common Stock, when and if a trading market develops, may fall within the definition of penny stock and be subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1.00 million (excluding primary residence), or annual incomes exceeding $0.20 million individually, or $0.30 million, together with their spouse).

For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, for any transaction, other than exempt transactions, involving a penny stock, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the SEC relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our Common Stock and may affect the ability of investors to sell their Common Stock in the secondary market.

Equity Financing Facility

On September 7, 2018, Company filed a shelf registration statement on Form S-3 with the United States Securities and Exchange Commission. The shelf registration was declared effective by the SEC, on October 11, 2018. The registration statement will allow the Company to issue, from time to time at prices and on terms to be determined at or prior to the time of the offering, shares of our common stock, par value $0.001 per share (our "Common Stock"), shares of our preferred stock, par value $0.001 per share (our "Preferred Stock"), debt securities, warrants, rights, or purchase contracts, either individually or in units, with a total value of up to $100.00 million.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable as we are a Small Reporting Company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto included elsewhere in this Annual Report on Form 10-K beginning on page F-1. The following discussion contains forward-looking statements that involve risks and uncertainties. Investors should not place undue reliance on these forward-looking statements. These forward-looking statements are based on current expectations and actual results could differ materially from those discussed herein. Factors that could cause or contribute to the differences are discussed in Item 1A, "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Our actual results could differ materially from those predicted in these forward-looking statements, and the events anticipated in the forward-looking statements may not actually occur. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this Annual Report on Form 10-K to conform these statements to actual results or to reflect the occurrence of unanticipated events, unless required by applicable laws or regulations.

Results of Operations

Year Ended December 31, 2020 Compared to the Year Ended December 31, 2019

Revenues– For the year ended December 31, 2020, we generated revenues from continuing operations of approximately $14.29 million, compared to approximately $16.49 million for the year ended December 31, 2019, a decrease of $2.20 million. The year-over-year decrease was driven by a dispensary revenue decline of $5.98 million which was partially offset by cultivation and manufacturing revenue increases of which totaled $3.78 million. The dispensary revenue was hit by a customer traffic decline from COVID-19 and six combined months of store closures for our two Bay area dispensaries due to civil unrest.

Gross Profit and Gross Margin– Our gross profit for the year ended December 31, 2020 was approximately $3.60 million, compared to a gross profit of approximately, $10.35 million for the year ended December 31, 2019, a decrease of $6.75 million. Our gross margin for the year ended December 31, 2020 was approximately 25.2%, compared to approximately 62.8% for the year ended December 31, 2019. Most of the gross profit decrease came about because of less year-over-year dispensary revenue as well as higher cost of sales in our cultivation and production operations.

Selling, General and Administrative Expenses– Selling, general and administrative expenses for the year ended December 31, 2020 were approximately $24.60 million, compared to approximately $36.68 million for the year ended December 31, 2019, a decrease of $12.08 million. In general the decrease was due to costs driven out of the company as we narrowed our focus onto a few key assets. The following areas were examples of this:(i) a $3.162 million decrease in salaries / payroll taxes, (ii) a $2.47 million decrease in option expense, (iii) a $1.57 million decrease in allowance for doubtful accounts, (iv) a $1.49 million decrease in advertising & promotion expense, (v) a $0.53 million decrease in insurance expense, (vi) a $0.49 million decrease in legal fees, (vii) a $0.47 million decrease in amortization expense, (viii) a $0.45 million decrease in accounting fees, and (ix) a $0.44 million decrease in consulting and other professional fees.

Other Operating Gain/Expense – Other operating expenses for the year ended December 31, 2020 were approximately $19.88 million, compared to Other expenses of $8.58 million in the year ended December 31, 2019, an increase in $11.30 million.The 2020 activity was driven by goodwill impairment charges of $19.91 million.

Other Income / (Expense) – Other income for the year ended December 31, 2020 was approximately $27.08 million, compared to other expense of $9.24 million for the year ended December 31, 2019, an increase of $36.32 million. The year-over-year improvement was due to (i) 2020 income driven by the mark-to-market of the company's investment in Hydrofarm Holdings, a $29.04 million unrealized gain, and (ii) a $6.36 million reduction in interest expense.

Management will continue its efforts to lower operating expenses and increase revenue. We will continue to invest in further expanding our operations and a comprehensive marketing campaign with the goal of accelerating the education of potential clients and promoting our name and our products. Given that most of the operating expenses are fixed or have a quasi-fixed character, management expects that, as revenue increases, those expenses, as a percentage of revenue, will significantly decrease. Nevertheless, there can be no assurance that we will be able to increase our revenues in succeeding quarters.

Going Concern

We have incurred significant losses in prior periods. For the year ended December 31, 2020, we incurred a net loss of $30.12 million and, as of that date, we had an accumulated deficit of $219.80 million. For the year ended December 31, 2019, we incurred a net loss of $46.93 million and, as of that date, we had an accumulated deficit of $189.69 million. We expect to experience further significant net losses in 2021 and the foreseeable future. At December 31, 2020, we had a cash balance of approximately $0.89 million, compared to a cash balance of approximately $1.23 million at December 31, 2019. We have not been able to generate sufficient cash from operating activities to fund our ongoing operations. Since our inception, we have raised capital through private sales of common stock, and debt securities. Our future success is dependent upon our ability to achieve profitable operations and generate cash from operating activities. Management feels that our past and current efforts to trim cost and our recent marketing and promotional efforts to boost sales will lead to cash sustainability. There is no guarantee that we will be able to generate enough revenue and/or raise capital to support our operations.

We anticipate receiving approximately $18 million over the next fifteen months as compensation for asset sales. In addition, we own shares of Hydrofarm stock that come off lock-up on June 9, 2021, the current value of which is $60.75 million. We anticipate these cash in-flows and acquisitions of complementary businesses to allow for our operations to grow to cash sustainability.

Given the risks and uncertainties regarding the future of our business due to COVID-19 and regulatory uncertainty, as well as our historical lack of profitability, there is doubt as to our ability to continue as a going concern for twelve months from the issuance of these financial statements. However, management's planned operational and investment remedies have mitigated the doubt. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which contemplate our continuation as a going concern. For additional information, see Item 1A – *"Risk Factors"* in Part I of this Annual Report on Form 10-K.

Sources and Uses of Cash

Cash Used in Operating Activities

Cash used in operating activities for the year ended December 31, 2020 was approximately $10.09 million, compared to approximately $12.51 million for the year ended December 31, 2019. The $2.42 million decrease in cash used was due to management's efforts to conserve cash. Similar to 2019 when the company was waiting for the state of Nevada to approve our pending asset transfers, in 2020 management made every effort to conserve cash to persevere through the impact of COVID-19 and civil unrest.

Cash Used in Investing Activities

Cash provided by investing activities for the year ended December 31, 2020 was approximately $11.80 million, compared to $0.63 million for the year ended 2019, an increase of $11.17 million. This increase was driven by proceeds from sales of assets and collections on notes receivables.

Cash Provided by Financing Activities

Cash provided by financing activities for the year ended December 31, 2020 was approximately $2.70 million, compared to $8.14 million for the prior year. This is a decrease of $5.44 million year-over-year. The cash provided by financing activities in 2020 was predominantly from issuance of notes payable. The cash provided by financing activities in fiscal 2019 was primarily due to $13.00 million proceeds from the issuance of notes payable and $4.50 million from the sale of Common Stock and warrants. The Company also had a cash outflow related to the purchase of $6.25 million related to the purchase of an unaffiliated third parties interest in MediFarm I, MediFarm II, and MediFarm I RE

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies

We disclose those accounting policies that we consider to be significant in determining the amounts to be utilized for communicating our consolidated financial position, results of operations and cash flows in Note 2 – *"Summary of Significant Accounting Policies"* to our consolidated financial statements included elsewhere herein. Our discussion and analysis of our financial condition, results of operations, and cash flows are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with these principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results are likely to differ from these estimates, but management does not believe such differences will materially affect our financial position or results of operations.

See Note 2 –*"Summary of Significant Accounting Policies,"* to our Financial Statements for further information on accounting policies that we believe to be critical, including our policies on:

Business Combinations
Revenue Recognition
Stock-Based Compensation
Notes Receivable
Goodwill
Long-Lived and Intangible Assets
Valuation of Inventory
Deferred Income Taxes
Fair Value Estimates

Recently Adopted and Issued Accounting Standards

See Note 2 – *"Summary of Significant Accounting Policies"* to our Financial Statements for information regarding accounting standards adopted in 2019 and other new accounting standards that were issued but not effective as of December 31, 2020.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make judgments, assumptions and estimates that have a significant impact on the results that we report in our financial statements. A critical accounting estimate is defined as one that is both material to the presentation of our financial statements and requires management to make difficult, subjective, or complex judgments that could have a material effect on our financial condition and results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our financial statements are fairly stated in accordance with accounting principles generally accepted in the United States and present a meaningful presentation of our financial condition and results of operations.

Our critical accounting estimates include:

- Assumption as a going concern
- Valuation of long-lived assets, including intangible assets and goodwill
- Valuation of investments, including equity instruments
- Valuation allowance for deferred tax assets

Below, we discuss this policy further, as well as the estimates and judgments involved. Actual results could differ from these estimates.

Going Concern

Management assumes that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

Valuation of Long-Lived Assets, Including Intangible Assets and Goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill, and other intangibles. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our operating income. Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We conduct impairment tests on goodwill annually as of September 30, or more frequently whenever events or changes in circumstances indicate an impairment may exist. We conduct impairment tests on long-lived assets, other than goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Long-lived assets other than goodwill and indefinite-lived intangible assets, held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company evaluates recoverability of assets to be held and used and if the carrying value is not recoverable, management estimates the fair value of the asset and compares it to the carrying value. If the asset is considered to be impaired, the impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. Management determines the asset's fair value utilizing estimates such as management's short-term and long-term forecast of operating performance, the remaining useful life and service potential of the asset.

We perform our annual trade name impairment assessment by comparing the estimated fair value of the trade name to the carrying value. We utilize the Relief from Royalty method, which utilizes estimates and assumptions that include management's revenue forecast, royalty rates avoided, and a discount rate based on the Company's estimated cost of equity. In selecting appropriate royalty and discount rates, comparable public companies and royalty transactions are examined. Selection of appropriate comparable companies and royalty transactions involves a significant amount of judgement.

We perform our annual goodwill impairment assessment for the Black Oak Gallery reporting unit by comparing the estimated fair value of the reporting unit to the carrying value. We utilized the Guideline Public Company valuation method, which evaluates the prices paid for publicly traded company equities as the basis to determine the fair value of the subject company. The analysis involves significant assumptions regarding the selection of comparable public companies, revenue multiple, and control premium. When performing tests for impairment in between annual tests, management may at times use alternative approaches to estimating the fair value of the Black Oak Gallery reporting unit. These approaches consider trends in the Company's overall market capitalization and operating results.

Valuation of Equity Instruments

As of December 31, 2020, the Company owned 593,261 common shares of Hydrofarm, a public company trading on the Nasdaq Global Select Market under the ticker symbol "HYFM." The Company's investment in Hydrofarm is stated at fair value and is presented in the "Short term investments" line within the consolidated balance sheet. As the Hydrofarm shares held by the Company are restricted from sale for a period of 180 days from the date of Hydrofarm's initial public offering, the fair value of the Company's investment is estimated utilizing the market price of the common shares at the end of each reporting period, less a discount for lack of marketability. The discount for marketability was estimated upon consideration of volatility and the length of the lock-up period.

As of December 31, 2020, the Company held 296,630 warrants to purchase one share of Hydrofarm's common stock, with an exercise price of $16.86 per share. As the underlying shares are restricted from sale for a period of 180 days from the date of Hydrofarm's initial public offering, the fair value of the warrants are estimated using the Black-Scholes option pricing model less a discount for lack of marketability. The discount for lack of marketability is estimated upon consideration of the volatility of the stock price and the remaining length of the lock-up period.

Valuation Allowance for Deferred Tax Assets

Management assumes that the realization of the Company's net deferred tax assets resulting from its net operating loss ("NOL") carry–forwards for Federal income tax purposes that may be offset against future taxable income was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are offset by a full valuation allowance. Management made this assumption based on the Company's historical losses and the general economic conditions impacting our industry.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable because we are a Small Reporting Company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

See Pages F-1 through F-38

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified under SEC rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management, including the Chief Executive Officer and the Chief Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2020. Based on this evaluation, our management concluded that as of December 31, 2020 these disclosure controls and procedures were effective at the reasonable assurance level. As discussed below, our internal control over financial reporting is an integral part of our disclosure controls and procedures.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, our principal executive and principal financial officers, or persons performing similar functions, and effected by our board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of inherent limitations, no matter how well designed and operated, internal control over financial reporting may not prevent or detect misstatements and can only provide reasonable assurance of achieving the desired control objectives. In addition, the design of internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Our Chief Executive Officer and Chief Financial Officer have performed an evaluation of our internal control over financial reporting under the framework in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective at December 31, 2020.

Based on the results of its assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2020 based on such criteria.

We believe that the consolidated financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2020 fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with GAAP.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2020, that have materially affected, or are likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Controls

The effectiveness of any system of internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting can only provide reasonable, not absolute, assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot assure that such improvements will be sufficient to provide us with effective internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Name	Director or Officer Since	Age	Positions
Nicholas Kovacevich	2020	35	Chairman of the Board
Francis Knuettel II	2020	54	Chief Executive Officer and Director
Steven J. Ross	2012	64	Director
Ira E. Ritter	2020	71	Director
Jeffrey Batliner	2020	55	Chief Financial Officer
Uri Kenig	2020	43	Interim Chief Operating Officer

Nicholas Kovacevich
Chairman of the Board

Mr. Kovacevich is the CEO of KushCo Holdings, Inc., a leading provider of ancillary products and services to businesses in the legal cannabis industry. Mr. Kovacevich graduated Summa Cum Laude from Southwest Baptist University with a Bachelor of Science in Sports Management. After college, Mr. Kovacevich began his entrepreneurial career by building and exiting Pack My Dorm. He continued on to found several other successful businesses including BigRentz, Inc., a leading online equipment rental company, and Alpha West Holdings, a diversified holding company whose portfolio businesses' generate a combined $100M+ in annual sales. Recently, Kovacevich was appointed to California's 32nd DAA Orange County Fair Board by California Governor Newsom.

Francis Knuettel II
Chief Executive Officer and Director

Mr. Knuettel has decades of experience in working with and advising public and private companies on financial management and controls, M&A, capital markets transactions and operating and financial restructurings. Mr. Knuettel was formerly Director of Capital and Advisory at Viridian Capital Advisors. He joined Veridian from One Cannabis Group ("OCG"), a leading cannabis dispensary franchisor, with over thirty cannabis dispensaries sold across seven states. At OCG, Mr. Knuettel was the Chief Financial Officer where he was responsible for all finance and accounting management. Prior to OCG, Mr. Knuettel was CFO at MJardin, a Denver-based cannabis cultivation and dispensary management company, where he led the company's IPO on the Canadian Securities Exchange. Following the IPO, Mr. Knuettel managed the merger with GrowForce, a Toronto-based cannabis cultivator, after which he moved over to the Chief Strategy Role. In his role as CSO, he managed the acquisition of several private companies before recommending and executing the consolidation of management and other operations to Toronto and the closure of the executive office in Denver. Prior to MJardin, Mr. Knuettel held numerous CFO and CEO positions at early-stage companies where he had significant experience both building and restructuring businesses. Mr. Knuettel graduated cum laude from Tufts University with a B.A. degree in Economics and from The Wharton School at the University of Pennsylvania with an M.B.A. in Finance and Entrepreneurial Management.

Steven J. Ross
Director

Mr. Ross has served as a Director since July 23, 2012, and has over 30 years of senior management experience, ranging from high growth private companies to multi-billion dollar divisions of public enterprises. His experience also includes service on numerous public and private Boards. He is known as a problem solver who has demonstrated leadership and consistent results in challenging business situations across multiple industries. Mr. Ross served as CEO of Ecolane from June 2013 to November of 2020. Ecolane is a Helsinki, Finland-based software company providing disruptive, specialized software and support services for transportation scheduling, dispatching and tracking. US operations are headquartered in Wayne, PA, where the company supports statewide contracts in PA, NE, NC and OH and numerous state and local transportation agencies throughout the country. Ecolane was acquired by National Express PLC, a British publicly-traded leading international transportation company in June 2016, generating greater than 500% returns for Ecolane's investors.

Prior to leading Ecolane, Mr. Ross was a Managing Director at MTN Capital Partners, a New York-based Private Equity firm, and Managing Partner of Belcourt Associates. Previously, Mr. Ross was CEO of National Investment Managers from 2006 until its sale to a Private Equity firm in 2011. Under Mr. Ross' leadership, the company became the largest independent retirement services company in the country with over $11 billion in assets under administration and operations in 17 cities in the United States. Between 2001 and 2006, Mr. Ross served as Chairman and CEO of DynTek. During his tenure he successfully transitioned the company from a $5 million software development company to a leading provider of information technology services with annual revenues of over $100 million. From 1998 to 2001, Mr. Ross was Vice President and General Manager of the Computer Systems Division of Toshiba America with overall responsibility for Toshiba's $3 billion computer business in the US and South America. Prior to joining Toshiba, from 1996 to 1998, Mr. Ross served as President & General Manager – Computer Reseller Division and President of Corporate Marketing at Inacom, a $7 billion Fortune 500 provider of computer products and services. Prior to his employment at Inacom, Mr. Ross served as Senior Vice President, Sales & Business Development, for Intelligent Electronics. Mr. Ross has also held senior management positions at Dell Computer Corporation and PTXI/Bull HN Information Systems. Mr. Ross has served as Vice-Chairman of the Board of the Computing Technology Industry Association (COMPTIA) and on the board of the US Internet Industry Association (USIIA). He also served on the Board of the national Cristina Foundation, and as a member of the Harvard Club of Orange County and the Harvard Business School Association of Orange County.

He is an active alumnus of Harvard University and a graduate of the Advanced Management Program at Harvard Business School. Steve has appeared as an industry and corporate spokesperson in numerous business and trade publications and events and was named #14 in Smart Reseller's annual listing of top 50 computer industry executives.

Ira Ritter
Director

Mr. Ritter is a diversified entrepreneur who provides the Board of Directors with five decades of leadership and business experience. He co-founded Ritter Pharmaceuticals, Inc. and served as Executive Chairman from its 2004 inception through its merger with Qualigen Therapeutics in 2020. Mr. Ritter has provided corporate management, strategic planning and financial consulting for a wide range of market segments including: health and beauty products for Quality King Distributors; private label manufacturing & sales for General Nutrition Centers, K-Mart and Flemings; television broadcast, programming and subscription television for ON-TV/Oak Media, division of Oak Industries and as publisher of national consumer magazines and bestseller books.

He assisted taking Ritter Pharmaceuticals public on Nasdaq and Martin Lawrence Galleries public on the New York Stock Exchange. Presently, Mr. Ritter is a managing partner of Stonehenge Partners and serves on the Board of Directors for Qualigen Therapeutics, Inc. and the Advisory Board for Pepperdine's Graziadio Business School of Social Entrepreneurship and Change. Previously, he has served as Board of Director for Vitavis Laboratories (sold to Nestle S.A.), SCWorx, The Bob Chandler Foundation and Environmental Quality Associates.

Mr. Ritter has a long history of public service including appointments by three California Governors to several State Commissions including eight years as Commissioner on the California Prison Industry Authority and a Presidential appointment to the White House Environmental Task Force. He has guest lectured at University of Southern California's Marshall School of Business and University of California, Los Angeles' Anderson School of Management.

Jeffrey Batliner
Chief Financial Officer

Mr. Batliner, Chief Financial Officer of Terra Tech Corp., joined the Company in December of 2018 when he was hired as the Director of Financial Reporting, where his responsibilities focused on SEC Reporting as well as Financial Planning and Analysis. During Mr. Batliner's tenure in that role, he was instrumental in improving internal and external reporting processes as well as implementing more robust budgeting and planning processes. Mr. Batliner was promoted to his current role as Chief Financial Officer on October 6, 2020. Prior to Terra Tech, he served in various Financial Planning and Analysis roles spanning multiple industries. From 1996 to 2003, he led the FP&A team for Canon USA's computer peripheral products division. Mr. Batliner was at Sage, a global business software provider, from 2003 to 2014. He built out the finance team supporting Sage's shared services division and led several FP&A teams supporting multiple business units. From 2015 to 2018, he created the FP&A team at Iteris, Inc., a transportation management firm, as the company experienced significant growth. Mr. Batliner holds a Master's in Business Administration from Pepperdine University and a Bachelor's in Finance from California State Fullerton.

Uri Kenig
Chief Operating Officer

Mr. Kenig is an experienced senior executive who has held large roles in numerous leading food, beverage, and retail industries. Most recently, Mr. Kenig was a Managing Partner at Alpha West Holdings, a venture capital firm. Mr. Kenig was formerly SVP of Growth and Operations at Urbanspace, a New York and London based company, where he led their portfolio growth through a series of initiatives. Prior to that he was an operating partner at a New York based private equity firm, Garnett Station Partners, where he oversaw a substantial growth of the firms' Burger King franchises from 22 restaurants to over 250, culminating in a large exit. He also oversaw the formation and execution of a Maaco franchise roll out culminating with over 40 locations, as well as a Massage Envy franchise rollout before its successful sale. Mr. Kenig also served in several senior leadership positions at Burger King Corporation, where he oversaw the revitalization of the company's Canadian operations and was responsible for a portfolio of over 1,200 franchises across 13 states, where he ensured effective expansion, operational excellence, and revenue generation. Mr. Kenig holds a Bachelor of Science from UNLV, where he graduated Magna Cum Laude, and also holds a Certificate of Leading with Finance from Harvard Business School Online and is certified in Six-Sigma through McKinsey.

Director Qualifications

We believe that our directors should have the highest professional and personal ethics and values, consistent with our values and standards. They should have broad experience at the policy-making level in business or banking. They should be committed to enhancing stockholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties for us. Each director must represent the interests of all stockholders. When considering potential director candidates, the Board also considers the candidate's character, judgment, diversity, age and skills, including financial literacy and experience in the context of our needs and the needs of the Board.

Independent Director Agreements

Pursuant to an Independent Director Agreement dated July 1, 2019 with Steven J. Ross the Company agreed to pay Mr. Ross $12,500 per month for a period of three years beginning on July 1, 2019. The cash compensation includes $10,000 per month for service as a Director and $2,500 per month for service as the Chairperson of one or more board committees. The Company also issued to Mr. Ross 86,805 restricted shares of the Company's common stock ("Common Stock"), all of which vested on the date of appointment, and an option to purchase an additional 86,805 shares of Common Stock with an exercise price of the closing price of the Common Stock on the date of the Director Agreements, which vest over a three-year period. In addition, a stock option and stock issuance of equivalent value are to be issued at the one year and two-year anniversary dates of the Director Agreement.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Nicholas Kovacevich, we agreed to grant Mr. Kovacevich 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Kovacevich amended the Independent Director Agreement. Per this amended agreement, (1) the Company issued to Mr. Kovacevich 500,000 restricted shares of the Company's common stock (the "Common Stock"), which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Kovacevich is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Kovacevich cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Kovacevich Agreement.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Ira Ritter, we agreed to grant Mr. Ritter 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Ritter amended the Independent Director Agreement. Pursuant to the Ritter Agreement, (1) the Company issued to Mr. Ritter an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the Ritter Agreement, which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Ritter is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Ritter cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Ritter Agreement.

Involvement in Certain Legal Proceedings

Other than as disclosed below, to our knowledge, our directors and executive officers have not been involved in any of the following events during the past ten years:

- Any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
- Being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- Being subject of, or a party to, any Federal or state judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- Being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Code of Ethics

On November 4, 2015, our Board approved and adopted a Code of Ethics (the "Code of Ethics") that applies to all of our directors, officers, and employees, including our principal executive officer and principal financial officer. The Code of Ethics addresses such individuals' conduct with respect to, among other things, conflicts of interests; compliance with applicable laws, rules, and regulations; full, fair, accurate, timely, and understandable disclosure by us; competition and fair dealing; corporate opportunities; confidentiality; insider trading; protection and proper use of our assets; fair treatment; and reporting suspected illegal or unethical behavior. The Code of Ethics is available on our website at http://ir.terratechcorp.com/governance-docs.

Term of Office

Our directors are appointed to hold office until the next annual general meeting of our stockholders or until removed from office in accordance with our Bylaws. Our officers are appointed by our Board and hold office until removed by the Board, absent an employment agreement.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that our directors and executive officers and persons who beneficially own more than 10% of our Common Stock (referred to herein as the "Reporting Persons") file with the SEC various reports as to their ownership of and activities relating to our Common Stock. To the best of our knowledge, all Reporting Persons complied on a timely basis with all filing requirements applicable to them with respect to transactions during the period covered by this report. In making these statements, we have relied solely on our review of copies of the reports furnished to us, representations that no other reports were required and other knowledge relating to transactions involving Reporting Persons.

Audit Committee and Audit Committee Financial Expert

On November 4, 2015, the Board established the Audit Committee and approved and adopted a charter (the "Audit Committee Charter") to govern the Audit Committee. Mr. Ross was appointed to serve on the Audit Committee and designated as chairman. Subsequently on November 15, 2017, Mr. Gladstone was appointed to serve on the Audit Committee. On December 15, 2020, Mr. Kovacevich was appointed to serve on the Audit Committee. Mr. Gladstone resigned as a member of the Board on January 11, 2021.On February 1, 2021, Mr. Ritter was appointed to serve on the Audit Committee. Each member of the Audit Committee meets the independence requirements of The NASDAQ Stock Market, LLC and the SEC. The Audit Committee met five times during 2020. In addition to the enumerated responsibilities of the Audit Committee in the Audit Committee Charter, the primary function of the Audit Committee is to assist the Board in its general oversight of our accounting and financial reporting processes, audits of our financial statements, and internal control and audit functions. The Audit Committee Charter can be found online at http://ir.terratechcorp.com/goverance-docs.

Compensation Committee

On November 4, 2015, the Board established the Compensation Committee and approved and adopted a charter (the "Compensation Committee Charter"). Mr. Ross and was appointed to serve on the Compensation Committee. Subsequently on November 15, Mr. Gladstone was appointed to serve as the Chairman of the Compensation Committee. On December 15, 2020, Mr. Ritter and Mr. Kovacevich were appointed to serve on the Compensation Committee, with Mr. Ritter designated as Chairman. Mr. Gladstone resigned as a member of the Board on January 11, 2021.Each member of the Compensation Committee meets the independence requirements of The NASDAQ Stock Market, LLC and the SEC, is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act and is an outside director within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Compensation Committee held one meeting during 2019. In addition to the enumerated responsibilities of the Compensation Committee in the Compensation Committee Charter, the primary function of the Compensation Committee is to oversee the compensation of our executives and advise the Board on the adoption of policies that govern our compensation programs. The Compensation Committee Charter may be found online at http://ir.terratechcorp.com/governance-docs.

Governance and Nominating Committee

On November 4, 2015, the Board established the Nominating Committee and approved and adopted a charter (the "Nominating Committee Charter"). Mr. Ross was appointed to serve on the Nominating Committee designated as chairman. Mr. Gladstone was appointed to serve on the Governance and Nominating Committee. On December 15, 2020, Mr. Kovacevich and Mr. Ritter were appointed to serve on the Governance and Nominating Committee. On January 11, 2021, Mr. Gladstone resigned as a member of the Board. On February 1, 2021, Mr. Kovacevich was appointed as Chairman. Each member of the Nominating Committee meets the independence requirements of The NASDAQ Stock Market, LLC and the SEC. The Nominating Committee held one meeting during 2019. In addition to the enumerated responsibilities of the Nominating Committee in the Nominating Committee Charter, the primary function of the Nominating Committee is to determine the slate of director nominees for election to the Board, to identify and recommend candidates to fill vacancies occurring between annual stockholder meetings, to review our policies and programs that relate to matters of corporate responsibility, including public issues of significance to us and our stockholders, and any other related matters required by federal securities laws. The charter of the Nominating and Corporate Governance Committee may be found online at http://ir.terratechcorp.com/governance-docs.

Compensation Committee Interlocks and Insider Participation

No interlocking relationship exists between our Board of Directors and the Board of Directors or Compensation Committee of any other company, nor has any interlocking relationship existed in the past.

ITEM 11. EXECUTIVE COMPENSATION

Name and Principal Position	Year	Salary	Bonus	Stock Awards (9)	Option Awards	All Other Compensation (10)	Total
Francis Knuettel II (1) *Chief Executive Officer, President, and Director*	2020	$ -	$ -	$ 62,150	$ -	$ -	$ 62,150
Jeffrey Batliner (2)	2020	$ 194,073	$ 20,000	$ 50,956	$ 7,440	$ 1,500	$ 273,969
Chief Financial Officer	2019	$ 133,016	$ -	$ 10,394	$ -	$ -	$ 143,410
Uri Kenig (3) *Interim Chief Operating Officer*	2020	$ 180,000		$ 25,350	$ -	$ -	$ 205,350
Derek Peterson (4)	2020	$ 333,540	$ -	$ -	$ 27,920	$ 6,000	$ 367,460
Former Chief Executive Officer, Former Chief Strategy Officer	2019	$ 309,000	$ -	$ -	$ 1,100,882	$ 6,000	$ 1,415,882
Michael Nahass (5)	2020	$ 305,966	$ -	$ -	$ 27,920	$ 6,000	$ 339,886
Former Chief Executive Officer, Former Chief Operating Officer	2019	$ 283,250	0	$ -	$ 1,100,882	$ 6,000	$ 1,390,132
Matthew Morgan (6) *Former Chief Executive Officer*	2020	$ 51,000	$ -	$ -	$ -	$ -	$ 51,000
Michael James (7)	2020	$ 84,056	$ -	$ -	$ 685,466	$ 4,000	$ 773,522
Former Chief Financial Officer	2019	$ 257,500	$ 75,000	$ -	$ 706,906	$ 12,000	$ 1,051,406
Megan Jimenez (8)	2020	$ 213,379	$ 20,000	$ 61,147	$ 8,376	$ 3,000	$ 305,901
Former Chief Financial Officer	2019	$ 176,658	$ 16,658	$ 8,292	$ -	$ -	$ 201,608

(1) Appointed Director on December 11, 2020. Appointed Interim Chief Executive Officer and President on December 15, 2020. Note: designated as Chief Executive Officer and President on March 2, 2021.
(2) Appointed Chief Financial Officer effective October 5, 2020.
(3) Appointed Interim Chief Operating Officer effective December 18, 2020.
(4) Appointed President, Chief Executive Officer and Chairman of the Board on February 9, 2012. Served as President until November 6, 2017. Served as CEO until February 14, 2020 when he moved into the Chief Strategy Officer position. Resigned as Chairman of the Board and Director, as well as Chief Strategy Officer, on January 22, 2021.
(5) Appointed Director on January 26, 2012. Appointed Secretary and Treasurer on July 20, 2015. Appointed President and Chief Operating Officer on November 6, 2017. Resigned as Chief Operating Officer and Director on January 22, 2021.
(6) Appointed CEO and Director on February 14, 2020. Resigned as CEO and Director on October 12, 2020.
(7) Appointed Chief Financial Officer on February 9, 2012. Resigned as Chief Financial Officer on March 30, 2020.
(8) Appointed Chief Financial Officer on March 31, 2020. Resigned as Chief Financial Officer on October 5, 2020.
(9) For valuation purposes, the dollar amount shown represents the aggregate award date fair value of awards made in each fiscal year computed in accordance with FASB ASC Topic 718, Stock Compensation . The fair value is calculated based on the closing price of the Common Stock on the grant dates.
(10) Amounts disclosed represent a car allowance of $500 per month per officer, except M.James, who received $1,000 per month.

Employment Contracts, Termination of Employment, Change-in-Control Arrangements

Employment Contracts

On December 21, 2020, the Company entered into an Executive Employment Agreement (the "Kenig Employment Agreement") with Uri Kenig, appointing Mr. Kenig as the Company's Interim Chief Operating Officer. The Kenig Employment Agreement, is for a term of six months. Mr. Kenig's compensation pursuant to the Kenig Employment Agreement is Ninety Thousand Dollars ($90,000) and he is eligible to receive a cash performance bonus at the discretion of the Board of Directors. Mr. Kenig was granted 150,000 fully-vested shares of the Company's common stock and is entitled to an additional 150,000 fully-vested shares of Common Stock on the six-month anniversary of the Kenig Employment Agreement; provided it has not been terminated prior to that date. Mr. Kenig was also granted an option to purchase 300,000 shares of Common Stock with an exercise price equal to the closing price of the Common Stock on the trading day prior to the date of the Kenig Employment Agreement pursuant to the terms of the Company's 2018 Equity Incentive Plan, which will vest 50% on the three-month anniversary of the Kenig Employment Agreement and 50% on the six-month anniversary of the Kenig Employment Agreement; provided it has not been terminated prior to either such date. In addition, Mr. Kenig is eligible to receive a bonus of 200,000 fully-vested shares of Common Stock and $20,000 upon closing of (A) a merger or consolidation of the Company or a subsidiary of the Company with another entity, or (B) the disposition by the Company of all or substantially all of the Company's assets or the acquisition by the Company of all or substantially all of the assets of another entity entered into during the term of the Kenig Employment Agreement, in each case with a transaction value of over $20,000,000 and approved by the Board of Directors, whether or not he is then an employee of the Company. Mr. Kenig is eligible to participate in the Company's 2018 Equity Incentive Plan, pursuant to which the Company may grant equity awards to its officers, directors and employees.

On December 18, 2020, Terra Tech Corp. entered into an Executive Employment Agreement (the "Knuettel Employment Agreement") with Francis Knuettel II, appointing Mr. Knuettel as the Company's Interim Chief Executive Officer and President. The Knuettel Employment Agreement, is for a term of six months. Mr. Knuettel's compensation pursuant to the Knuettel Employment Agreement is One Hundred and Fifty Thousand Dollars ($150,000) and he is eligible to receive a cash performance bonus at the discretion of the Board of Directors. Mr. Knuettel was granted 200,000 fully-vested shares of the Company's common stock and is entitled to an additional 200,000 fully-vested shares of Common Stock on the six-month anniversary of the Knuettel Employment Agreement; provided it has not been terminated prior to that date. Mr. Knuettel was also granted an option to purchase 600,000 shares of Common Stock with an exercise price equal to the closing price of the Common Stock on the trading day prior to the date of the Knuettel Employment Agreement pursuant to the terms of the Company's 2018 Equity Incentive Plan, which will vest 50% on the three-month anniversary of the Knuettel Employment Agreement and 50% on the six-month anniversary of the Knuettel Employment Agreement; provided it has not been terminated prior to either such date. In addition, Mr. Knuettel is eligible to receive a bonus of 400,000 fully-vested shares of Common Stock and $40,000 upon closing of (A) a merger or consolidation of the Company or a subsidiary of the Company with another entity, or (B) the disposition by the Company of all or substantially all of the Company's assets or the acquisition by the Company of all or substantially all of the assets of another entity entered into during the term of the Knuettel Employment Agreement, in each case with a transaction value of over $20,000,000 and approved by the Board of Directors, whether or not he is then an employee of the Company. Mr. Knuettel is eligible to participate in the Company's 2018 Equity Incentive Plan, pursuant to which the Company may grant equity awards to its officers, directors and employees.

On September 28, 2020, Terra Tech Corp. entered into an Executive Employment Agreement (the "Employment Agreement") with Jeffrey Batliner, formerly the Company's Director of Reporting & Analysis, appointing Mr. Batliner as the Company's Chief Financial Officer, effective October 5, 2020. The Employment Agreement, is for a term of one year. Mr. Batliner's base salary shall be Two Hundred Thousand Dollars ($200,000) and he shall also be eligible for a performance bonus of up to 100% of his base salary ("Target Performance Bonus"). The Target Performance Bonus shall be based on performance and achievement of Company goals and objectives as defined by the Board of Directors or Compensation Committee and may be greater or less than the Target Performance Bonus. Mr. Batliner may be eligible for severance benefits under certain circumstances as set forth in the Employment Agreement.

Resignation Agreements

On January 22, 2021, the Company entered into a Resignation and Release Agreement with Michael A. Nahass (the "Nahass Resignation Agreement"), pursuant to which Mr. Nahass agreed to resign from his positions as a director, executive officer and employee of the Company effective immediately upon the Company's closing of a private placement in the amount of not less than $3,500,000, which is expected to occur on or about January 25, 2021 upon the closing of the transactions contemplated by the Securities Purchase Agreement. In addition, the Company extended the time within which vested common stock options held by Mr. Nahass may be exercised to 150 days after the date of resignation.

On January 22, 2021, the Company entered into a Resignation and Release Agreement with Derek Peterson (the "Peterson Resignation Agreement" and, together with the Nahass Resignation Agreement, the "Resignation Agreements"), pursuant to which Mr. Peterson agreed to resign from his positions as a director, executive officer and employee of the Company effective immediately upon the Company's closing of a private placement in the amount of not less than $3,500,000, which is expected to occur on or about January 25, 2021 upon the closing of the transactions contemplated by the Securities Purchase Agreement. In addition, the Company extended the time within which vested common stock options held by Mr. Peterson may be exercised to 150 days after the date of resignation.

Director Compensation

The following table sets forth director compensation for the year ended December 31, 2020:

Name [1]	Fees Earned Paid in Cash ($)	Stock Awards ($) [6]	Option Awards ($)	Total ($)
Nicholas Kovacevich [2]	$ -	$ 28,500	$ -	$ 28,500
Ira Ritter [3]	$ -	$ 28,500	$ -	$ 28,500
Steven Ross [4]	$ 150,000	$ 59,549	$ 263,082	$ 472,630
Alan Gladstone [5]	$ 150,000	$ 59,549	$ 496,146	$ 705,694

(1) Francis Knuettel, Michael Nahass, and Derek Peterson are not included in this table as they were executive officers during fiscal 2020, and thus received no compensation for their service as directors. The compensation of Mr. Knuettel, Mr. Nahass, and Mr. Peterson as our employees is shown in "Item 11 Executive Compensation – Summary Compensation Table."
(2) Appointed as a director on December 10, 2020.
(3) Appointed as a director on December 10, 2020.
(4) Appointed as a director on July 23, 2012.
(5) Appointed as a director on November 15, 2017. Resigned as a director on January 11, 2021.
(6) For valuation purposes, the dollar amount shown represents the aggregate award date fair value of awards made in fiscal 2020 computed in accordance with FASB ASC Topic 718, "Stock Compensation". The fair value is calculated based on the closing price of the Common Stock on the grant dates.

Narrative to Director Compensation Table

The following is a narrative discussion of the material information that we believe is necessary to understand the information disclosed in the previous table.

Nicholas Kovacevich

Mr. Kovacevich received 150,000 shares of Common Stock at $0.19 per share when he joined the Board on December 11, 2020.

Ira Ritter

Mr. Ritter received 150,000 shares of Common Stock at $0.19 per share when he joined the Board on December 11, 2020.

Steven J. Ross

Mr. Ross earned cash fees for his services as a director in fiscal 2020 in the amount of $0.15 million. Mr. Ross earned cash fees for his services as a director in fiscal 2019 in the amount of $0.14 million.

On July 1, 2020, we granted Mr. Ross a ten-year option to acquire 454,545 shares of Common Stock at $0.11 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-sixth (1/6) vested.

On April 2, 2020, we granted Mr. Ross a ten-year option to acquire 1,250,000 shares of Common Stock at $0.07 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-quarter (1/4) vested.

On June 20, 2019, we granted Mr. Ross a ten-year option to acquire 500,000 shares of Common Stock at $0.585 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-half (1/2) vested. On July 1, 2019, we granted Mr. Ross a ten-year option to acquire 86,805 shares of Common Stock at $0.576 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-half (1/2) vested.

On December 11, 2018, we granted Mr. Ross a ten-year option to acquire 300,000 shares of Common Stock at $1.00 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was three-quarters (3/4) vested. On July 30, 2018, we granted Mr. Ross a ten-year option to acquire 55,000 shares of Common Stock at $2.02 per share. The option is in consideration of the services to be rendered, which vested upon issuance and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was ten-twelfths (10/12) vested.

Alan Gladstone

Mr. Gladstone earned cash fees for his services as a director in fiscal 2020 in the amount of $0.15 million. Mr. Gladstone earned cash fees for his services as a director in fiscal 2019 in the amount of $0.16 million.

On July 1, 2020, we granted Mr. Gladstone a ten-year option to acquire 454,545 shares of Common Stock at $0.11 per share,. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-sixth (1/6) vested.

On April 2, 2020, we granted Mr. Gladstone a ten-year option to acquire 1,500,000 shares of Common Stock at $0.07 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-quarter (1/4) vested.

On June 20, 2019, we granted Mr. Gladstone a ten-year option to acquire 700,000 shares of Common Stock at $0.585 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-half (1/2) vested. On July 1, 2019, we granted Mr. Gladstone a ten-year option to acquire 86,805 shares of Common Stock at $0.576 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was one-half (1/2) vested.

On December 11, 2018, we granted Mr. Gladstone a ten-year option to acquire 600,000 shares at $1.00 per share. The option is in consideration of the services to be rendered, which shall vest and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was three-quarters (3/4) vested. On July 30, 2018, we granted Mr. Gladstone a ten-year option to acquire 100,000 shares of Common Stock at $2.02 per share. The option is in consideration of the services to be rendered, which vested upon issuance and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was ten-twelfths (10/12) vested. On January 30, 2018, we granted Mr. Gladstone a ten-year option to acquire 66,667 shares of Common Stock at $4.68 per share. The option is in consideration of the services to be rendered, which vested upon issuance and become exercisable with respect to one-twelfth (1/12) each quarter until the option is one hundred percent (100.0%) vested. As of December 31, 2020, the option was completely vested.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Equity Compensation Plan Information

On December 11, 2018, the Company's Board of Directors approved the 2018 Equity Incentive Plan (the "Plan"). On June 20, 2019, the Company adopted the Amended and Restated 2018 Equity Incentive Plan (the "2018 Plan"), and our stockholders approved the Plan at our annual meeting of stockholders that was held September 23, 2019. Pursuant to the terms of the 2018 Plan, the maximum number of shares of Common Stock available for the grant of awards under the 2018 Plan shall not exceed 13,000,000 shares. During the years ended December 31, 2020 and 2019, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 6.59 million and 5.80 million shares of Common Stock, respectively. The options have exercise prices of $0.58 - $1.00 per share, and generally vest quarterly over a three-year period.

During the year ended December 31, 2019, the Company granted ten-year options to directors, officers, and employees, pursuant to which such individuals are entitled to exercise options to purchase an aggregate of up to 1.06 million shares of Common Stock that were not subject to the 2016 Equity Plan or the 2018 Equity Plan. The options have exercise prices ranging from $2.02 to $3.75 per share, and generally vest quarterly over a three-year period.

On February 14, 2020, the Board approved an amendment (the "Plan Amendment") to the Company's Amended and Restated 2018 Equity Incentive Plan (the "Plan") to increase the number of shares available for issuance thereunder by 28,976,425 million shares of Terra Tech common stock for a total of 43,976,425 shares of Terra Tech common stock, plus the number of shares, not to exceed 2,000,000 million shares, that may become available under the Company's 2016 Equity Incentive Plan after termination of awards thereunder, subject to adjustment in accordance with the terms of the Plan.

Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information as of March 16, 2021 with respect to the holdings of: (1) each person known to us to be the beneficial owner of more than 5.0% of our Common Stock; (2) each of our directors, nominees for director and executive officers; and (3) all directors and executive officers as a group. To the best of our knowledge, each of the persons named in the table below as beneficially owning the shares set forth therein has sole voting power and sole investment power with respect to such shares, unless otherwise indicated. Unless otherwise specified, the address of each of the persons set forth below is in care of the Company, at the address of 2040 Main Street, Suite 225, Irvine, California 92614.

In computing the number and percentage of shares beneficially owned by each person, we include any shares of Common Stock that could be acquired within 60 days of March 16, 2021 by the conversion or exercise of shares of option awards. These shares, however, are not counted in computing the percentage ownership of any other person.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownership	Percent of Common Stock*(1)*
Derek Peterson	Common Stock	18,278,747(2)	7.89%
Steven Ross	Common Stock	2,105,527(3)	*
Jeffrey Batliner	Common Stock	600,887(4)	*
Francis Knuettel II	Common Stock	450,000(5)	*
Uri Kenig	Common Stock	300,000(6)	*
Nicholas Kovacevich	Common Stock	274,998	*
Ira Ritter	Common Stock	274,998(7)	*
All Directors and Executive Officers as a Group (6 persons)		4,006,410	1.73%

* *Represents beneficial ownership of less than one percent of the outstanding shares of our Common Stock.*
(1) *As of March 16, 2021, we had a total of 234,062,627 shares of Common Stock issued and 231,754,219 shares outstanding.*
(2) *Mr. Peterson disclaims any beneficial ownership interest in the 989,574 shares of Common Stock held by his spouse, Amy Almsteier.*
(3) *Includes 1,466,700 shares of Common Stock underlying vested options.*
(4) *Includes 316,667 shares of Common Stock underlying vested options.*
(5) *Includes 300,000 shares of Common Stock underlying vested options.*
(6) *Includes 150,000 shares of Common Stock underlying vested options.*
(7) *Includes 124,998 shares of Common Stock underlying vested options.*

There are no arrangements known to us that might, at a subsequent date, result in a change-in-control.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Related Party Transactions

Except as described below, during the past fiscal year, there have been no transactions, whether directly or indirectly, between us and any of our respective officers, directors, beneficial owners of more than 5.0% of our outstanding Common Stock or their family members, that exceeded the lesser of $0.12 million or 1.0% of the average of our total assets at year-end for the last completed fiscal year.

During the fiscal year ended December 31, 2019, the Company issued promissory notes totaling $1.80 million to OneQor Technologies, Inc ("OneQor"). Derek Peterson and Mike Nahass, the Chief Executive Officer and Chief Operating Officer, respectively at that time. Both had minority ownership interests in OneQor.

On December 30, 2019, the Company entered into a $0.50 million secured promissory note agreement with the Matthew Lee Morgan Trust, which is affiliated with Matthew Morgan, the Chief Executive Officer of OneQor Technologies, Inc. ("OneQor"). Derek Peterson, Chief Executive Officer of Terra Tech and Michael Nahass, President of Terra Tech are minority interest holders in OneQor. The note matures on January 30, 2021, and bears interest at a rate of 10% per annum. The note was converted to the Company's common stock at maturity.

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The aggregate consideration paid for the Business was a five-year $3,000,000 secured promissory note bearing interest at 3.5% per annum. Michael James, the Company's former Chief Financial Officer, is a principal of the Purchaser. There is no material relationship between the Company or its affiliates and the Purchaser other than as set forth in the previous sentence. The Purchase Agreement contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

Pursuant to an Independent Director Agreement dated July 1, 2019 by and between us and Steven J. Ross, we agreed to pay Mr. Ross $12,500 per month for a period of three years. We also issued to Mr. Ross an aggregate of 86,805 restricted shares of Common Stock, of which all of the shares vested on the date of appointment.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Francis Knuettel II, we agreed to grant Mr. Knuettel 150,000 restricted shares of stock, to be fully vested on the date of appointment. On December 18, 2020, Terra Tech Corp entered into an Executive Employment Agreement with Mr. Knuettel, appointing Mr. Knuettel as the Company's Interim Chief Executive Officer and President. Therefore Mr. Knuettel was no longer considered an independent director.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Nicholas Kovacevich, we agreed to grant Mr. Kovacevich 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Kovacevich amended the Independent Director Agreement. Per this amended agreement, (1) the Company issued to Mr. Kovacevich 500,000 restricted shares of the Company's common stock (the "Common Stock"), which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Kovacevich is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Kovacevich cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Kovacevich Agreement.

Pursuant to an Independent Director Agreement dated December 11, 2020 by and between us and Ira Ritter, we agreed to grant Mr. Ritter 150,000 restricted shares of stock, to be fully vested on the date of appointment. On February 1, 2021, the Company and Mr. Ritter amended the Independent Director Agreement. Pursuant to the Ritter Agreement, (1) the Company issued to Mr. Ritter an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the Ritter Agreement, which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Ritter is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Ritter cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Ritter Agreement.

Director Independence

Our Board is currently composed of four members. Our Common Stock is not currently listed for trading on a national securities exchange and, as such, we are not subject to any director independence standards. However, we have determined that three directors, Steven Ross, Nicholas Kovacevich, and Ira Ritter,, each qualifies as an independent director. We evaluated independence in accordance with Rule 5605 of the NASDAQ Stock Market.

The Board currently has three separately designated standing committees: (i) the Audit Committee, (ii) the Compensation Committee, and (iii) the Governance and Nominating Committee. All three of these committees are solely comprised of independent directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table presents fees paid or to be paid for professional audit services rendered by Marcum LLP for the audit of our annual financial statements and fees billed for other services rendered for the years ended December 31, 2020 and 2019:

	Year Ended December 31,	
	2020	2019
Audit Fees (1)	**$ 270,030**	**$ 611,587**

(1) Audit Fees consisted of fees billed for professional services rendered for the audit of the Company's annual financial statements and internal control over financial reporting, review of the interim financial statements included in quarterly reports, and review of other documents filed with the SEC within those fiscal years.

The Board, or the Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is specific to the particular service or category of services and is generally subject to a specific budget. In addition, the Audit Committee has delegated pre-approval authority to its Chairman who, in turn, must report any pre-approval decisions to the Audit Committee at its next scheduled regular meeting. Our independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by our independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis. The Board, or the Audit Committee, as applicable, pre-approved all fees for audit and non-audit work performed during fiscal 2020 and 2019.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report:

(1) Financial Statements – See Index on page F-1

(b) The following exhibits are filed herewith as a part of this report:

Exhibit	Description
2.1	Agreement and Plan of Merger dated February 9, 2012, by and among Terra Tech Corp., TT Acquisitions, Inc., and GrowOp Technology Ltd. (1)
2.2	Articles of Merger (1)
2.3	Share Exchange Agreement, dated April 24, 2013, by and among the Terra Tech Corp., Edible Garden Corp., and the holders of common stock of Edible Garden Corp. (2)
2.4	Agreement and Plan of Merger, dated December 23, 2015, by and among Terra Tech Corp., Generic Merger Sub, Inc., and Black Oak Gallery (3)
2.5	First Amendment to Agreement and Plan of Merger, dated February 29, 2016, by and among Terra Tech Corp., Generic Merger Sub, Inc., and Black Oak Gallery (3)
2.6	Form of Agreement of Merger, dated March 31, 2016, by and among Generic Merger Sub, Inc. and Black Oak Gallery (3)
2.7	Agreement and Plan of Merger, dated as of October 30, 2019, by and among Terra Tech, OneQor, Merger Sub, Matthew Morgan, Larry Martin and the Shareholder Representative (4)
2.8	Amendment No. 1 to Agreement and Plan of Merger, dated as of December 2, 2019, by and among Terra Tech, OneQor, Merger Sub, Matthew Morgan, Larry Martin and the Shareholder Representative (5)
2.9	Amendment No. 2 to Agreement and Plan of Merger, dated as of February 14, 2020, by and among Terra Tech, OneQor, Merger Sub, Matthew Morgan, Larry Martin and the Shareholder Representative (6)
2.10	Agreement and Plan of Merger, dated March 2, 2021 (7)
3.1	Articles of Incorporation dated July 22, 2008 (8)
3.2	Amended and Restated Bylaws (9)
3.3	Certificate of Amendment dated July 8, 2011 (10)
3.4	Certificate of Change dated July 8, 2011 (10)
3.5	Certificate of Amendment dated January 27, 2012 (1)
3.6	Form of Amended and Restated Articles of Incorporation of Black Oak Gallery, a California corporation (3)
3.7	Certificate of Amendment to Certificate of Designation of Series B Preferred Stock, dated September 27, 2016 (11)
3.8	Certificate of Amendment to Articles of Incorporation, dated September 26, 2016 (12)

3.9	Certificate of Amendment to Certificate of Designation of Series B Preferred Stock, dated October 3, 2016 (13)
3.10	Certificate of Amendment to Certificate of Designation of Series B Preferred Stock, dated July 26, 2017 (14)
3.11	Certificate of Designation for Series A Preferred Stock (15)
3.12	Amended and Restated Certificate of Designation for Series B Preferred Stock (3)
3.13	Certificate of Designation for Series A Preferred Stock (12)
3.14	Amended and Restated Certificate of Designation for Series B Preferred Stock (3)
3.15	Amendment to Series A Preferred Stock certificate of designation, dated January 26, 2021 (16)
3.16	Certificate of Withdrawal of Certificate of Designation of Series A Preferred Stock (9)
3.17	Certificate of Withdrawal of Certificate of Designation of Series B Preferred Stock (9)
4.1	Form of Amendment No. 1 to 7.5% Senior Convertible Promissory Note, dated December 1, 2020 (17)
4.2	Form of Amendment No. 2 to 7.5% Senior Convertible Promissory Note, dated January 11, 2021 (18)
4.3	Form of Amendment No. 3 to 7.5% Senior Convertible Promissory Note (19)
4.4	Form of Amendment No. 1 to 7.5% Senior Convertible Promissory Note (19)
4.5	Form of Common Stock Purchase Warrant (19)
4.6	Form of 3.0% Senior Convertible Promissory Note (19)
4.7	Form of Common Stock Purchase Warrant (“A Warrant”) (19)
4.8	Form of Common Stock Purchase Warrant (“B Warrant”) (19)
4.9	Form of Straight Promissory Note (19)
4.10	Securities Purchase Agreement, dated January 22, 2021 (19)
4.11	Form of Secured Promissory Note (20)
4.12	Common Stock Purchase Warrant*
10.1	2016 Equity Incentive Plan (3)
10.2	Form of Terra Tech Corp. Amended and Restated 2018 Equity Incentive Plan (21)
10.3	Amendment to Terra Tech Corp. Amended and Restated 2018 Equity Incentive Plan dated as of February 14, 2020 (6)
10.4	Lease dated January 1, 2015, by and between Whitetown Realty, LLC and Edible Garden Corp. (3)
10.5	Guaranty dated January 1, 2015, by Terra Tech Corp. in favor of Whitetown Realty, LLC (3)
10.6	Sublease dated March 29, 2016, by and between Black Oak Gallery and CCIG Properties, LLC, dated March 29, 2016 (22)
10.7	Amended and Restated Executive Employment Agreement, dated as of October 29, 2019, by and between OneQor and Matthew Morgan, as amended by Amendment to Amended and Restated Executive Employment Agreement, dated as of February 13, 2020, by and between Matthew Morgan and OneQor (6)
10.8	Amendment and Waiver Agreement, dated as of February 14, 2020, by and between Terra Tech and Derek Peterson (6)
10.9	Forfeiture Agreement, dated as of February 14, 2020, by and between Terra Tech and Derek Peterson. (6)
10.10	Forfeiture Agreement, dated as of February 14, 2020, by and between Terra Tech and Michael Nahass. (6)
10.11	Forfeiture Agreement, dated as of March 9, 2020, by and between Terra Tech and Derek Petersor (23)
10.12	Forfeiture Agreement, dated as of March 9, 2020, by and between Terra Tech and Michael Nahass(23)
10.13	Asset Purchase Agreement, dated as of March 30, 2020 (24)
10.14	Executive Employment Agreement, dated as of March 30, 2020 (24)
10.15	Asset Purchase Agreement, dated as of April 15, 2020 (25)
10.16	Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate, dated as of April 13, 2020 (25)
10.17	Executive Employment Agreement, dated as of September 28, 2020 (26)

10.18	Amendment Agreement, dated as of October 12, 2020 (27)
10.19	Forfeiture Agreement, dated as of October 12, 2020 (27)
10.20	Confidential Separation Agreement, dated as of October 12, 2020 (27)
10.21	Letter Agreement, dated October 22, 2020 (28)
10.22	Independent Director Agreement between Terra Tech Corp. and Nicholas Kovacevich, dated December 11, 2020 (29)
10.23	Independent Director Agreement between Terra Tech Corp. and Ira E. Ritter, dated December 11, 2020 (29)
10.24	Independent Director Agreement between Terra Tech Corp. and Francis Knuettel II, dated December 11, 2020 (29)
10.25	Director Indemnification Agreement between Terra Tech Corp. and Nicholas Kovacevich, dated December 11, 2020 (29)
10.26	Director Indemnification Agreement between Terra Tech Corp. and Ira E. Ritter, dated December 11, 2020 (29)
10.27	Director Indemnification Agreement between Terra Tech Corp. and Francis Knuettel II, dated December 11, 2020 (29)
10.28	Executive Employment Agreement between Terra Tech Corp. and Francis Knuettel II, dated December 18, 2020 (30)
10.29	Executive Employment Agreement between Terra Tech Corp. and Uri Kenig, dated December 21, 2020 (30)
10.30	Amendment and Waiver Agreement between Terra Tech Corp. and Michael Nahass, dated December 18, 2020 (30)
10.31	Loan Agreement Amendment, dated January 7, 2021 (18)
10.32	Indemnification Agreement, dated January 7, 2021 (18)
10.33	Indemnification Agreement, dated January 7, 2021 (18)
10.34	Separation Agreement, dated January 11, 2021 (18)
10.35	Securities Purchase Agreement, dated January 22, 2021 (19)
10.36	Form of Registration Rights Agreement (19)
10.37	Form of Series A Preferred Stock Purchase Agreement (19)
10.38	Form of Resignation and Release Agreement (19)
10.39	Form of Resignation and Release Agreement (19)
10.40	Form of Lock-Up Agreement (19)
10.41	Lock-up Agreement*
10.42	Registration Rights Agreement*
10.43	Independent Director Agreement between Terra Tech Corp. and Nicholas Kovacevich, dated February 1, 2021 (9)
10.44	Independent Director Agreement between Terra Tech Corp. and Ira Ritter, dated February 1, 2021(9)
10.45	Restricted Stock Award Agreement*
10.46	Form of Lock-Up Agreement (7)
10.47	Form of Loan Agreement (20)
10.48	Form of Guaranty Agreement (20)
10.49	Form of Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (20)
10.50	Standard Purchase Agreement (31)
10.51	Assignment (31)
10.52	Form of Loan Agreement (31)
10.53	Form of Guaranty Agreement (31)
10.54	Form of Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (31)
14.1	Code of Ethics (32)
21.1	List of Subsidiaries*
23.1	Consent of Marcum LLP*
24.0	Power of Attorney (set forth on the signature page of this Annual Report on Form 10-K)*
31.1	Certification of Francis Knuettel II, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
31.2	Certification of Jeffrey Batliner, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
32.1	Certification of Francis Knuettel II, Chief Executive Officer, pursuant to Sections 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. *
32.2	Certification of Jeffrey Batliner, Chief Financial Officer, pursuant to Sections 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. *
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculations Linkbase Document *
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	XBRL Taxonomy Presentation Linkbase Document *

(1) *Incorporated by reference to Current Report on Form 8-K, filed with the SEC on February 10, 2012.*
(2) *Incorporated by reference to Current Report on Form 8-K, filed with the SEC on May 6, 2013.*
(3) *Incorporated by reference to Annual Report on Form 10-K filed with the SEC on March 29, 2016*
(4) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on November 4, 2019*
(5) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on December 3, 2019*
(6) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on February 18, 2020*
(7) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on March 3, 2021*
(8) *Incorporated by reference to Registration Statement on Form S-1, filed with the SEC on December 23, 2008.*
(9) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on February 4, 2021*
(10) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on September 28, 2016*
(11) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on October 7, 2016*
(12) *Incorporated by reference to Amendment No. 3 to Current Report on Form 8-K filed with the SEC on April 19, 2012*
(13) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on March 2, 2015.*
(14) *Incorporated by reference to Quarterly Report on Form 10-Q filed with the SEC on May 12, 2016*
(15) *Incorporated by reference to Current Report on Form 8-K, filed with the SEC on May 28, 2013.*
(16) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on February 1, 2021*
(17) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on December 2, 2020*
(18) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on January 13, 2021*
(19) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on January 25, 2021*
(20) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on January 19, 2018*
(21) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on June 26, 2019*
(22) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on April 5, 2016*
(23) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on March 16, 2020*
(24) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on April 3, 2020*
(25) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on April. 17, 2020*
(26) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on September 28, 2020*
(27) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on October 13, 2020*
(28) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on October 28, 2020*
(29) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on December 14, 2020*
(30) *Incorporated by reference to Current Report on Form 8-K/A filed with the SEC on December 21, 2020*
(31) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on October 12, 2018*
(32) *Incorporated by reference to Current Report on Form 8-K filed with the SEC on November 5, 2015*

* *filed herewith*

TERRA TECH CORP. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Terra Tech Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Terra Tech Corp. (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Goodwill – Impairment Assessment for the Black Oak Gallery Reporting Unit

As described in Note 8 to the financial statements, the Company performed its annual evaluation of goodwill for the Black Oak Gallery reporting unit for impairment by comparing the estimated fair value of the Black Oak Gallery reporting unit to its carrying value. The Company used a market approach to determine the estimated fair value of the Black Oak Gallery reporting unit, whereby the Company applied a market multiple against the forecasted revenue for the Black Oak Gallery reporting unit, before applying a control premium.

The principal considerations for our determination that performing procedures relating to evaluating the recoverability of the carrying value of goodwill is a critical audit matter, are that there is significant judgment by management in the estimation of forecasted revenue, the market multiple to apply and the control premium to use. This in turn led to high degree of auditor judgment, subjectivity and effort in performing audit procedures in evaluating audit evidence related to management's estimates and assumptions used in the forecasted revenue and model. Also, the evaluation of audit evidence related to goodwill impairment required significant auditor judgment as the nature of the evidence is often subjective, and the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating evidence in connection with forming our overall audit opinion on the consolidated financial statements. These procedures included, among others, (i) evaluating management's selection of comparable peer companies used in determining the revenue growth rate; (ii) evaluating management's determination of the market multiple; (iii) evaluating the control premium used by management; and (iv) corroborating the inputs used in management's model. Professionals with specialized skill and knowledge were used to assist in the evaluation of the measurement of the Company's estimated fair value of the Black Oak Gallery reporting unit.

Income Taxes – Uncertain Tax Positions

As described in Note 12 to the financial statements, the Company's subsidiaries that produced and sold cannabis or cannabis pure concentrates are subject to the limits of Internal Revenue Code Section 280E, which only allows the Company to deduct expenses directly related to sales of product for federal tax purposes. This requires management to make estimates and judgments relating to the bifurcation of expenses between direct costs of sales versus other operating expenses for such subsidiaries. This also requires management to make judgments as to whether the deduction of operating expenses at the parent company that provides corporate oversight and other services to such subsidiaries, which is an uncertain tax position, met the "more-likely-than-not" recognition threshold

The principal considerations for our determination that performing procedures relating to the uncertain tax position was a critical audit matter, are that there is significant judgment by management in estimating the operating expenses at the parent company that are unrelated to the business activity of trafficking cannabis related products, including a high degree of estimation uncertainty due to the complexity of tax laws, lack of guidance from the Internal Revenue Service ("IRS") and potential for adjustments which could have a material impact on the Company's results of operations for the year as a result of any IRS audit. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate the timely identification and accurate measurement of provisions for tax uncertainties. Also, the evaluation of audit evidence related to the provisions for tax uncertainties required significant auditor judgment as the nature of the evidence is often subjective, and the audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) testing the information used in the allocation of operating expenses of the parent company to business activities unrelated to trafficking cannabis related products; (ii) evaluating management's assessment of the technical merits of tax positions and estimates of the amount of tax benefit expected to be sustained; (iii) testing the completeness of management's assessment of both the identification of uncertain tax positions and possible outcomes of each uncertain tax position; and (iv) evaluating the status and results of tax audits with the relevant tax authorities for companies within the industry. Professionals with specialized skill and knowledge were used to assist in the evaluation of the completeness and measurement of the company's uncertain tax positions, including evaluating the reasonableness of management's assessment of

whether tax positions are more-likely-than-not of being sustained, the application of relevant tax laws, and estimated interest and penalties.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2018.

Costa Mesa, California
March 30, 2021

TERRA TECH CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except shares)

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash	$ 888	$ 1,226
Accounts receivable, net	835	693
Short term investments	34,045	-
Inventory	1,602	4,334
Prepaid expenses and other current assets	234	675
Current assets of discontinued operations	2	2,440
Total current assets	37,606	9,368
Property, equipment and leasehold improvements, net	32,480	35,469
Intangible assets, net	7,714	14,871
Goodwill	6,171	21,471
Other assets	13,040	10,272
Investments	330	5,000
Assets of discontinued operations	2,953	22,799
TOTAL ASSETS	**$ 100,294**	**$ 119,250**
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Current liabilities:		
Accounts payable and other accrued expenses	$ 8,621	$ 9,526
Short-term debt	8,033	11,022
Current liabilities of discontinued operations	9,768	7,035
Total current liabilities	26,422	27,583
Long-term liabilities:		
Long-term debt, net of discounts	6,632	6,570
Long-term lease liabilities	8,082	8,902
Long-term liabilities of discontinued operations	28	869
Total long-term liabilities	14,742	16,341
Total liabilities	**41,164**	**43,924**
STOCKHOLDERS' EQUITY:		
Preferred stock, convertible series A, par value $0.001: 100 Shares authorized as of December 31, 2020 and 2019; 8 Shares issued as of December 31, 2020 and 2019, respectively	-	-
Preferred stock, convertible series B, par value $0.001: 41,000,000 Shares authorized as of December 31, 2020 and 2019; 0 shares issued as of December 31, 2020 and 2019, respectively	-	-
Common stock, par value $0.001: 990,000,000 Shares authorized as of December 31, 2020 and 2019; 196,512,867 shares issued and 194,204,459 shares outstanding as of December 31, 2020; 120,313,386 shares issued and 118,004,978 shares outstanding as of December 31, 2019.	218	120
Additional paid-in capital	275,060	260,516
Treasury stock	(808)	(808)
Accumulated deficit	(219,803)	(189,686)
Total Terra Tech Corp. stockholders' equity	54,667	70,142
Non-controlling interest	4,463	5,184
Total stockholders' equity	**59,130**	**75,326**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 100,294**	**$ 119,250**

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except shares and per-share info)

	Year Ended December 31,	
	2020	**2019**
Total revenues	$ 14,287	$ 16,488
Cost of goods sold	10,687	6,139
Gross profit	3,600	10,349
Selling, general and administrative expenses	24,602	36,676
Impairment of assets	19,910	8,313
(Gain) / Loss on sale of assets	(35)	(802)
(Gain) / Loss on interest in joint venture	-	1,067
Loss from operations	(40,877)	(34,905)
Other income / (expense)		
Interest expense, net	(2,932)	(9,293)
Unrealized gain/(loss) on investments	29,045	-
Other income / (loss)	964	50
Total other income / (expense)	27,077	(9,243)
Income / (loss) from continuing operations	(13,800)	(44,148)
Income / (loss) from discontinued operations, net of tax	(17,071)	(3,704)
NET INCOME / (LOSS)	(30,871)	(47,852)
Less: Income / (Loss) attributable to non-controlling interest from continuing operations	(754)	(921)
NET LOSS ATTRIBUTABLE TO TERRA TECH CORP.	$ (30,117)	$ (46,931)
Income / (Loss) from continuing operations per common share attributable to Terra Tech Corp. common stockholders – basic and diluted	$ (0.07)	$ (0.45)
Net Income / (Loss) per common share attributable to Terra Tech Corp. common stockholders – basic and diluted	$ (0.16)	$ (0.44)
Weighted-Average Number of Common Shares Outstanding – Basic and Diluted	191,978,187	106,037,631

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(in thousands, except for Shares)

	Preferred Stock Convertible Series A		Common Stock		Additional Paid-In	Treasury Stock		Accumulated	Non-Controlling	
	Shares	Amount	Shares	Amount	Capital	Shares	Amount	Deficit	Interest	Total
Balance at December 31, 2018	**12**	**$ -**	**81,759,415**	**$ 82**	**$ 236,543**	**-**	**$ -**	**$ (142,755)**	**$ 1,003**	**$ 94,873**
Stock compensation - employees	-	-	740,580	1	473	-	-	-	-	473
Stock compensation - directors	-	-	173,610	0	102	-	-	-	-	102
Stock compensation - services expense	-	-	715,065	1	369	-	-	-	-	369
Stock cancellation	-	-	(60,000)	(0)	(58)	-	-	-	-	(58)
Debt conversion - common stock	-	-	29,380,222	29	13,411	-	-	-	-	13,440
Stock issued for cash	-	-	7,604,494	8	4,492	-	-	-	-	4,500
Stock option expense	-	-	-	-	4,342	-	-	-	-	4,342
Issuance of warrants to Aegis	-	-	-	-	5,978	-	-	-	-	5,978
Series A	(4)	-	-	-	-	4	-	-	-	-
Common stock repurchase	-	-	(2,308,408)	-	-	2,308,408	(808)	-	-	(808)
Consolidation of NuLeaf joint venture	-	-	-	-	-	-	-	-	5,402	5,402
Contribution (distribution) from non-controlling interest	-	-	-	-	-	-	-	-	703	703
Contribution (distribution) to non-controlling interest	-	-	-	-	(5,136)	-	-	-	(1,003)	(6,139)
Net loss attributable to non-controlling interest	-	-	-	-	-	-	-	-	(921)	(921)
Net loss attributable to Terra Tech Corp.	-	-	-	-	-	-	-	(46,931)	-	(46,931)
Balance at December 31, 2019	**8**	**$ -**	**118,004,978**	**120**	**$ 260,516**	**2,308,412**	**$ (808)**	**$ (189,686)**	**$ 5,184**	**$ 75,326**
Stock compensation - employees	-	-	3,894,544	4	515	-	-	-	-	519
Stock compensation - directors	-	-	1,359,090	1	103	-	-	-	-	104
Stock compensation - services expense	-	-	1,159,615	1	151	-	-	-	-	152
Stock cancellation	-	-	(21,924,177)	-	-	-	-	-	-	-
Debt conversion - common stock	-	-	31,086,209	31	2,413	-	-	-	-	2,444
Stock issued for cash	-	-	2,470,173	2	248	-	-	-	-	250
Stock issued for OneQor acquisition	-	-	58,154,027	58	9,246	-	-	-	-	9,304
Stock option expense	-	-	-	-	1,868	-	-	-	-	1,868

Issuance of warrants to Aegis	-	-	-	-	-	-	-	-	-	-
Series A	-	-	-	-	-	-	-	-	-	-
Net contribution from non-controlling interest	-	-	-	-	-	-	-	-	33	33
Net income attributable to non-controlling interest	-	-	-	-	-	-	-	-	(754)	(754)
Net loss attributable to Terra Tech Corp.	-	-	-	-	-	-	-	(30,117)	-	(30,117)
Balance at December 31, 2020	**8**	**$ -**	**194,204,459**	**218**	**$ 275,060**	**2,308,412**	**$ (808)**	**$ (219,803)**	**$ 4,463**	**$ 59,130**

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	$ (30,871)	$ (47,852)
Less: Income from discontinued operations	17,071	3,704
Net loss from continuing operations	(13,800)	(44,148)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	650	2,217
Depreciation and amortization	6,314	6,396
Impairment loss	19,910	8,313
Gain on sale of assets	(35)	(788)
Amortization of operating lease right of use asset	857	805
Non-cash interest expense	1,004	7,880
Stock-based compensation	2,175	5,287
Unrealized gain on investments	(29,045)	-
Loss recognized upon consolidation of equity interests	-	1,067
Other	841	(84)
Change in operating assets and liabilities:		-
Accounts receivable	(256)	(715)
Inventory	2,732	(3,117)
Prepaid expenses and other current assets	441	(56)
Other assets	(920)	(148)
Accounts payable and accrued expenses	(174)	2,464
Operating lease liabilities	(786)	2,116
Net cash provided by / (used in) operating activities - continuing operations	(10,092)	(12,511)
Net cash provided by / (used in) operating activities - discontinued operations	(4,748)	(2,229)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**(14,840)**	**(14,740)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, equipment and leasehold improvements	(1,473)	(1,591)
Insurance proceeds for damaged assets	452	-
Purchase of equity investment	-	(400)
Issuance of note receivable	(250)	(1,800)
Purchase of intangible assets	-	-
Cash from acquisitions	57	127
Proceeds from sales of assets	35	1,249
Net cash provided by / (used in) investing activities - continuing operations	(1,179)	(2,415)
Net cash provided by / (used in) investing activities - discontinued operations	12,982	3,044
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	**11,803**	**629**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	2,954	13,000
Payments of debt principal	(506)	(2,150)
Proceeds from issuance of common stock	250	4,500
Purchase of treasury stock	-	(808)
Cash paid for acquisition of non-controlling interest	-	(6,250)
Cash contribution from non-controlling interest	152	1
Cash distribution to non-controlling interest	(144)	-
Other	(8)	(150)
Net cash provided by / (used in) financing activities - continuing operations	2,698	8,143
Net cash provided by / (used in) financing activities - discontinued operations	-	-
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	**2,698**	**8,143**
NET CHANGE IN CASH	**(339)**	**(5,968)**
Cash at beginning of period	1,226	7,194
CASH AT END OF PERIOD	**$ 888**	**$ 1,226**
SUPPLEMENTAL DISCLOSURE FOR OPERATING ACTIVITIES:		
Cash paid for interest	$ 1,177	$ 1,594
SUPPLEMENTAL DISCLOSURE FOR NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Consolidation of NuLeaf net assets	$ -	$ 11,957
Financing Fees in accounts payable	$ -	$ 165
Stock issued for the acquisition of OneQor	$ 9,305	$ -
Warrants issued in conjunction with debt	$ -	$ 183
Stock issued for prior bonuses	$ 469	$ -
Fixed assets in accounts payable	$ 484	$ -
Non-cash contributions from non-controlling interest	$ -	$ 702
Debt principal and interest converted to common stock	$ 2,444	$ 13,200
Beneficial conversion feature recorded for Dominion debt	$ -	$ 5,795

The accompanying notes are an integral part of the consolidated financial statements.

TERRA TECH CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF BUSINESS

Organization

References in this document to "the Company", "Terra Tech", "we", "us", or "our" are intended to mean Terra Tech Corp., individually, or as the context requires, collectively with its subsidiaries on a consolidated basis.

Terra Tech is a holding company with the following subsidiaries:

- 620 Dyer LLC, a California corporation ("Dyer");
- 1815 Carnegie LLC, a California limited liability company ("Carnegie");
- Black Oak Gallery, a California corporation ("Black Oak");
- Blüm San Leandro, a California corporation ("Blüm San Leandro");
- GrowOp Technology Ltd., a Nevada corporation ("GrowOp Technology");
- IVXX, Inc., a California corporation ("IVXX Inc."; together with IVXX LLC, "IVXX");
- IVXX, LLC, a Nevada limited liability company ("IVXX LLC");
- MediFarm, LLC, a Nevada limited liability company ("MediFarm");
- MediFarm I, LLC, a Nevada limited liability company ("MediFarm I");
- MediFarm II, LLC, a Nevada limited liability company ("MediFarm II"); and
- MediFarm So Cal, Inc., a California corporation ("MediFarm SoCal")
- 121 North Fourth Street, LLC, a Nevada limited liability company ("121 North Fourth")
- OneQor Technologies, Inc., a Delaware corporation ("OneQor")

The Company is a retail, production and cultivation company, with an emphasis on providing the highest quality of medical and adult use cannabis products. We currently have a concentrated cannabis interest in California. All of the Company's cannabis dispensaries operate under the name Blüm. The Company's cannabis dispensaries in California operate as Black Oak Gallery in Oakland and Blum San Leandro in San Leandro and offer a broad selection of medical and adult-use cannabis products including flowers, concentrates and edibles.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and with the instructions to Securities Exchange Commission ("SEC") Form 10-K and Regulation S-X and reflect the accounts and operations of the Company and those of our subsidiaries in which we have a controlling financial interest. In accordance with the provisions of FASB or ASC 810, *"Consolidation"*, we consolidate any variable interest entity ("VIE"), of which we are the primary beneficiary. The typical condition for a controlling financial interest ownership is holding a majority of the voting interests of an entity; however, a controlling financial interest may also exist in entities, such as VIEs, through arrangements that do not involve controlling voting interests. ASC 810 requires a variable interest holder to consolidate a VIE if that party has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. We do not consolidate a VIE in which we have a majority ownership interest when we are not considered the primary beneficiary. We evaluate our relationships with all the VIEs on an ongoing basis to reassess if we continue to be the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the consolidated financial position of the Company as of December 31, 2020 and 2019, and the consolidated results of operations and cash flows for the years ended December 31, 2020 and 2019 have been included.

Going Concern

The accompanying financial statements have been prepared assuming that we will continue as a going concern. The risks and uncertainties on the future of our business due to COVID-19 and regulatory uncertainty, combined with the fact that we have historically lost money, have in the past, raised substantial doubt as to our ability to continue as a going concern. However, management feels that proceeds due from its Hydrofarm investment, proceeds from the Nevada asset sales, management's past and on-going efforts to trim costs and management's recent efforts to boost sales will lead to cash sustainability. Therefore management feels that there is no material uncertainty as to the Company's ability to continue as a going concern.

Non-Controlling Interest

Non-controlling interest is shown as a component of stockholders' equity on the consolidated balance sheets and the share of income (loss) attributable to non-controlling interest is shown as a component of income (loss) in the consolidated statements of operations.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of total net revenue and expenses in the reporting periods. The Company regularly evaluates estimates and assumptions related to allowances for doubtful accounts, sales returns, inventory valuation, stock-based compensation expense, goodwill and purchased intangible asset valuations, investments, deferred income tax asset valuation allowances, uncertain tax positions, and litigation and other loss contingencies. These estimates and assumptions are based on current facts, historical experience and various other factors that the Company believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue, costs and expenses that are not readily apparent from other sources. The actual results the Company experiences may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. These reclassifications did not affect net loss, revenues and stockholders' equity. See Note 19, *"Discontinued Operations"* for further discussion regarding discontinued operations.

Trade and other Receivables

The Company extends non-interest bearing trade credit to its customers in the ordinary course of business which is not collateralized. Accounts receivable are shown on the face of the consolidated balance sheets, net of an allowance for doubtful accounts. The Company analyzes the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends, in determining the allowance for doubtful accounts. The Company does not accrue interest receivable on past due accounts receivable. The reserve for doubtful accounts was zero and $0.44 million as of December 31, 2020 and 2019, respectively.

Investments

Investments in unconsolidated affiliates are accounted for under the cost or the equity method of accounting, as appropriate. The Company accounts for investments in limited partnerships or limited liability corporations, whereby the Company owns a minimum of 5% of the investee's outstanding voting stock, under the equity method of accounting. These investments are recorded at the amount of the Company's investment and adjusted each period for the Company's share of the investee's income or loss, and dividends paid. As investments accounted for under the cost method do not have readily determinable fair values, the Company only estimates fair value if there are identified events or changes in circumstances that could have a significant adverse effect on the investment's fair value.

Publicly held equity securities are recorded at fair value with unrealized gains or losses resulting from changes in fair value reflected as unrealized gains or losses on equity securities in our consolidated statements of operations.

Inventory

Inventory is stated at the lower of cost or net realizable value, with cost being determined on the first-in, first-out ("FIFO") method of accounting. The Company periodically reviews physical inventory for excess, obsolete, and potentially impaired items and reserves. The reserve estimate for excess and obsolete inventory is based on expected future use. The reserve estimates have historically been consistent with actual experience as evidenced by actual sale or disposal of the goods.

Prepaid Expenses and Other Current Assets

Prepaid expenses consist of various payments that the Company has made in advance for goods or services to be received in the future. These prepaid expenses include advertising, insurance, and service or other contracts requiring up-front payments.

Property, Equipment and Leasehold Improvements, Net

Property, equipment and leasehold improvements are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The approximate useful lives for depreciation of our property, equipment and leasehold improvements are as follows: thirty-two years for buildings; three to eight years for furniture and equipment; three to five years for computer and software; five years for vehicles and the shorter of the estimated useful life or the underlying lease term for leasehold improvements. Repairs and maintenance expenditures that do not extend the useful lives of related assets are expensed as incurred.

Expenditures for major renewals and improvements are capitalized, while minor replacements, maintenance and repairs, which do not extend the asset lives, are charged to operations as incurred. Upon sale or disposition, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations. The Company continually monitors events and changes in circumstances that could indicate that the carrying balances of its property, equipment and leasehold improvements may not be recoverable in accordance with the provisions of ASC 360, *"Property, Plant, and Equipment."* When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. See *Note 7, "Property, Equipment and Leasehold Improvements, Net"* for further information.

Intangible Assets

Intangible assets continue to be subject to amortization, and any impairment is determined in accordance with ASC 360,*"Property, Plant, and Equipment,"* intangible assets are stated at historical cost and amortized over their estimated useful lives. The Company uses a straight-line method of amortization, unless a method that better reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up can be reliably determined. The approximate useful lives for amortization of our intangible assets are as follows:

Customer Relationships	3 to 5 Years
Trademarks	2 to 8 Years
Dispensary Licenses	14 Years

The Company reviews intangible assets subject to amortization quarterly to determine if any adverse conditions exist or a change in circumstances has occurred that would indicate impairment or a change in the remaining useful life. Conditions that may indicate impairment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset, a product recall, or an adverse action or assessment by a regulator. If an impairment indicator exists, we test the intangible asset for recoverability. For purposes of the recoverability test, we group our amortizable intangible assets with other assets and liabilities at the lowest level of identifiable cash flows if the intangible asset does not generate cash flows independent of other assets and liabilities. If the carrying value of the intangible asset (asset group) exceeds the undiscounted cash flows expected to result from the use and eventual disposition of the intangible asset (asset group), the Company will write the carrying value down to the fair value in the period identified.

Intangible assets that have indefinite useful lives are tested annually for impairment, or more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount of the asset group exceeds its fair value.

Goodwill

Goodwill is measured as the excess of consideration transferred and the net of the acquisition date fair value of assets acquired, and liabilities assumed in a business acquisition. In accordance with ASC 350, *"Intangibles-Goodwill and Other,"* goodwill and other intangible assets with indefinite lives are no longer subject to amortization but are tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired.

The Company reviews the goodwill allocated to each of our reporting units for possible impairment annually as of September 30 and whenever events or changes in circumstances indicate carrying amount may not be recoverable. In the impairment test, the Company measures the recoverability of goodwill by comparing a reporting unit's carrying amount, including goodwill, to the estimated fair value of the reporting unit.

The carrying amount of each reporting unit is determined based upon the assignment of our assets and liabilities, including existing goodwill and other intangible assets, to the identified reporting units. Where an acquisition benefits only one reporting unit, the Company allocates, as of the acquisition date, all goodwill for that acquisition to the reporting unit that will benefit. Where the Company has had an acquisition that benefited more than one reporting unit, The Company has assigned the goodwill to our reporting units as of the acquisition date such that the goodwill assigned to a reporting unit is the excess of the fair value of the acquired business, or portion thereof, to be included in that reporting unit over the fair value of the individual assets acquired and liabilities assumed that are assigned to the reporting unit.

If the carrying amount of a reporting unit is in excess or its fair value, the Company recognizes an impairment charge equal to the amount in excess.

Notes Receivable

The Company reviews all outstanding notes receivable for collectability as information becomes available pertaining to the Company's inability to collect. An allowance for notes receivable is recorded for the likelihood of non-collectability. The Company accrues interest on notes receivable based net realizable value. The allowance for uncollectible notes was zero and $1.83 million as of December 31, 2020 and 2019, respectively.

Assets Held for Sale and Discontinued Operations

Assets held for sale represent furniture, equipment, and leasehold improvements less accumulated depreciation as well as any other assets that are held for sale in conjunction with the sale of a business. The Company records assets held for sale in accordance with ASC 360*, "Property, Plant, and Equipment,"* at the lower of carrying value or fair value less costs to sell. Fair value is based on the estimated proceeds from the sale of the facility utilizing recent purchase offers, market comparables and/or data. Our estimate as to fair value is regularly reviewed and subject to changes in the commercial real estate markets and our continuing evaluation as to the facility's acceptable sale price. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. These conditions are usually met from the date on which a letter of intent or agreement to sell is ready for signing. The Company follows the guidance within ASC 205, *"Reporting Discontinued Operations and Disclosure of Disposals of Components of an Entity"*when assets held for sale represent a strategic shift in the Company's operations and financial results.

Fair Value of Financial Instruments, Non-Financial Instruments and Derivative Assets

The Company applies fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 –Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

In accordance with the fair value accounting requirements, companies may choose to measure eligible financial instruments and certain other items at fair value. The Company has not elected the fair value option for any eligible financial instruments.

The following table presents the Company's financial instruments that are measured and recorded at fair value on the Company's balance sheets on a recurring basis, and their level within the fair value hierarchy as of December 31, 2020:

Investments:	Amount	Level 1	Level 2	Level 3
Warrants to acquire shares of HydroFarm	$ 10,195	$ -	$ 10,195	$ -
Shares in HydroFarm	23,850	-	23,850	-
Option to acquire Edible Garden Inc	330	-	-	330
Total	**$ 34,375**	**$ -**	$ 34,045	**$ 330**

Business Combinations

The Company accounts for its business acquisitions in accordance with ASC 805-10, "*Business Combinations.*" The Company allocates the total cost of the acquisition to the underlying net assets based on their respective estimated fair values. As part of this allocation process, the Company identifies and attributes values and estimated lives to the intangible assets acquired. These determinations involve significant estimates and assumptions regarding multiple, highly subjective variables, including those with respect to future cash flows, discount rates, asset lives, and the use of different valuation models, and therefore require considerable judgment. The Company's estimates and assumptions are based, in part, on the availability of listed market prices or other transparent market data. These determinations affect the amount of amortization expense recognized in future periods. The Company bases its fair value estimates on assumptions it believes to be reasonable but are inherently uncertain.

Revenue Recognition and Performance Obligations

The Company recognizes revenue from manufacturing and distribution product sales when our customers obtain control of our products. Revenue from our retail dispensaries is recorded at the time customers take possession of the product. Revenue from our retail dispensaries is recognized net of discounts, promotional adjustments and returns. We collect taxes on certain revenue transactions to be remitted to governmental authorities, which may include sales, excise and local taxes. These taxes are not included in the transaction price and are, therefore, excluded from revenue. Upon purchase, the Company has no further performance obligations and collection is assured as sales are paid for at time of purchase.

Revenue related to distribution customers is recorded when the customer is determined to have taken control of the product. This determination is based on the customer specific terms of the arrangement and gives consideration to factors including, but not limited to, whether the customer has an unconditional obligation to pay, whether a time period or event is specified in the arrangement and whether the Company can mandate the return or transfer of the products. Revenue is recorded net of taxes collected from customers that are remitted to governmental authorities with collected taxes recorded as current liabilities until remitted to the relevant government authority.

Disaggregation of Revenue

See Note 20, "Segment Information" for revenues disaggregated by type as required by ASC Topic 606. The company believes this level of disaggregation sufficiently depicts how the nature, amount, timing, and uncertainty of our revenue and cash flows are affected by economic factors. The table below shows the revenue break between California operations and Nevada operations for the years ended December 31, 2020 and 2019.

	(in thousands)	
	2020	**2019**
California	$ 6,161	$ 12,413
Nevada	8,126	4,075
Total	**$ 14,287**	**$ 16,488**

Contract Balances

Due to the nature of the Company's revenue from contracts with customers, the Company does not have material contract assets or liabilities that fall under the scope of ASC Topic 606.

Contract Estimates and Judgments

The Company's revenues accounted for under ASC Topic 606, generally, do not require significant estimates or judgments based on the nature of the Company's revenue streams. The sales prices are generally fixed at the point of sale and all consideration from contracts is included in the transaction price. The Company's contracts do not include multiple performance obligations or material variable consideration.

Cost of Goods Sold

Cannabis Dispensary, Cultivation and Production

Cost of goods sold includes the costs directly attributable to product sales and includes amounts paid for finished goods, such as flower, edibles, and concentrates, as well as packaging and delivery costs. It also includes the labor and overhead costs incurred in cultivating and producing cannabis flower and cannabis-derived products. Overhead expenses include allocations of rent, administrative salaries, utilities, and related costs.

Advertising Expenses

The Company expenses advertising costs as incurred in accordance with ASC 720-35, *"Other Expenses – Advertising Cost."* Advertising expenses from continuing operations totaled $0.19 million and $1.49 million in the years ended December 31, 2020 and 2019, respectively.

Stock-Based Compensation

The Company accounts for its stock-based awards in accordance with ASC Subtopic 718-10, *"Compensation – Stock Compensation",* which requires fair value measurement on the grant date and recognition of compensation expense for all stock-based payment awards made to employees and directors, including restricted stock awards. For stock options, the Company estimates the fair value using a closed option valuation (Black-Scholes) model. The fair value of restricted stock awards is based upon the quoted market price of the common shares on the date of grant. The fair value is then expensed over the requisite service periods of the awards, net of estimated forfeitures, which is generally the performance period and the related amount is recognized in the consolidated statements of operations.

The Black-Scholes option-pricing model requires the input of certain assumptions that require the Company's judgment, including the expected term and the expected stock price volatility of the underlying stock. The assumptions used in calculating the fair value of stock-based compensation represent management's best estimates, but these estimates involve inherent uncertainties and the application of judgment. As a result, if factors change resulting in the use of different assumptions, stock-based compensation expense could be materially different in the future. The Company accounts for forfeitures of stock-based awards as they occur.

Income Taxes

The provision for income taxes is determined in accordance with ASC 740, *"Income Taxes"*. The Company files a consolidated United States federal income tax return. The Company provides for income taxes based on enacted tax law and statutory tax rates at which items of income and expense are expected to be settled in our income tax return. Certain items of revenue and expense are reported for Federal income tax purposes in different periods than for financial reporting purposes, thereby resulting in deferred income taxes. Deferred taxes are also recognized for operating losses that are available to offset future taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has incurred net operating losses for financial-reporting and tax-reporting purposes. At December 31, 2020 and 2019, such net operating losses were offset entirely by a valuation allowance.

The Company recognizes uncertain tax positions based on a benefit recognition model. Provided that the tax position is deemed more likely than not of being sustained, the Company recognizes the largest amount of tax benefit that is greater than 50.0% likely of being ultimately realized upon settlement. The tax position is derecognized when it is no longer more likely than not of being sustained. The Company classifies income tax related interest and penalties as interest expense and selling, general and administrative expense, respectively, on the consolidated statements of operations.

Loss Per Common Share

In accordance with the provisions of ASC 260, *"Earnings Per Share,"* net loss per share is computed by dividing net loss by the weighted-average shares of common stock outstanding during the period. During a loss period, the effect of the potential exercise of stock options, warrants, convertible preferred stock, and convertible debt are not considered in the diluted loss per share calculation since the effect would be anti-dilutive. The results of operations were a net loss for the years ended December 31, 2020 and 2019. Therefore, the basic and diluted weighted-average shares of common stock outstanding were the same for all years.

Potentially dilutive securities that are not included in the calculation of diluted net loss per share because their effect is anti-dilutive are as follows (in common equivalent shares):

	Year Ended December 31,	
	2020	**2019**
Common stock warrants	1,076,555	1,313,459
Common stock options	17,492,830	12,365,295
	18,569,385	**13,678,754**

Recently Adopted Accounting Standards

FASB Accounting Standards Update ("ASU") No. 2016-13, "Measurement of Credit Losses on Financial Instruments" **-** *Issued in June 2016,* ASU 2016-13 replaces the "incurred loss" credit losses framework with a new accounting standard that requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The Company adopted the standard January 1, 2020. Adoption had no material impact on the Company's financial position or results of operations.

Recently Issued Accounting Standards

FASB ASU No. 2020-06 ***"Accounting for Convertible Instruments and Contracts in an Entity's Own Equity"*** - Issued in August 2020, ASU 2020-06 simplifies the accounting for convertible instruments by eliminating the requirement to separate embedded conversion features from the host contract when the conversion features are not required to be accounted for as derivatives under Topic 815, Derivatives and Hedging, or that do not result in substantial premiums accounted for as paid-in capital. By removing the separation model, a convertible debt instrument will be accounted for as a single liability measured at its amortized cost and the interest rate on convertible debt instruments will typically be closer to the coupon interest rate when applying the guidance in Topic 835, Interest. ASU 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those years. The Company is currently evaluating the adoption date and impact adoption will have on its financial position and results of operations.

FASB ASU No. 2019-12, "Simplifying the Accounting for Income Taxes" - Issued in December 2019, ASU 2019-12 eliminates certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company is currently evaluating the adoption date and impact, if any, adoption will have on its financial position and results of operations.

NOTE 3 – CONCENTRATIONS OF BUSINESS AND CREDIT RISK

The Company maintains cash balances in several financial institutions that are insured by either the Federal Deposit Insurance Corporation or the National Credit Union Association up to certain federal limitations. At times, the Company's cash balance exceeds these federal limitations and it maintains significant cash on hand at certain of its locations. The Company has not historically experienced any material loss from carrying cash on hand. The amount in excess of insured limitations was $0.06 million and $0.18 million as of December 31, 2020 and 2019, respectively.

The Company provides credit in the normal course of business to its customers. The Company performs ongoing credit evaluations of its customers and maintains allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information. There were no customers that comprised more than 10.0% of the Company's revenue for the year ended December 31, 2020 and 2019.

The Company sources cannabis products for retail, cultivation and production from various vendors. However, as a result of the new regulations in the State of California, the Company's California retail, cultivation and production operations must use vendors licensed by the State effective January 1, 2018. As a result, we are dependent upon the licensed vendors in California to supply products as of that date. If the Company is unable to enter into a relationship with sufficient members of properly licensed vendors, the Company's sales may be impacted. During the year ended December 31, 2020 and 2019, we did not have any concentration of vendors for inventory purchases. However, this may change depending on the number of vendors who receive appropriate licenses to operate in the State of California.

NOTE 4 – VARIABLE INTEREST ENTITY ARRANGEMENTS

NuLeaf, Inc.

On October 26, 2017, the Company entered into operating agreements with NuLeaf, Inc. and formed NuLeaf Sparks Cultivation, LLC and NuLeaf Reno Production, LLC (collectively "NuLeaf") to build and operate cultivation and production facilities of cannabis products in Nevada. The agreements were subject to approval by the State of Nevada, the City of Sparks and the City of Reno in Nevada. Under the terms of the agreements, the Company remitted to NuLeaf an upfront investment of $4.50 million in the form of convertible loans bearing an interest rate of 6% per annum. On June 28, 2018, the Company received approval from the State of Nevada. The remaining required approvals from local authorities were received in July 2018. As a result, the notes receivable balance was converted into a 50% ownership interest in NuLeaf. The investment in NuLeaf was initially recorded at cost and accounted for using the equity method.

In February 2019, we amended and restated the NuLeaf agreements and obtained control of the operations of NuLeaf. The Company has determined these entities are variable interest entities in which the Company is the primary beneficiary by reference to the power and benefits criterion under ASC 810, *"Consolidation."* The provisions within the amended agreement granted the Company the power to manage and make decisions that affect the operation of these entities. As the primary beneficiary of NuLeaf Sparks Cultivation, LLC and NuLeaf Reno Production, LLC, the Company began consolidating the accounts and operations of these entities on March 1, 2019. All intercompany transactions are eliminated in the unaudited consolidated financial statements. Effective March 1, 2019, we remeasured our equity method investment in NuLeaf to fair value and consolidated the results of NuLeaf within our consolidated financial statements.

Revenue and net loss attributed to NuLeaf is $8.13 million and $4.08 million, respectively, for the year ended December 31, 2020. The aggregate carrying values of Sparks Cultivation, LLC and NuLeaf Reno Production, LLC assets and liabilities, after elimination of any intercompany transactions and balances, in the consolidated balance sheets were as follows:

	(in thousands)	
	December 31, 2020	**December 31, 2019**
Current assets:		
Cash	$ 671	$ 243
Accounts receivable, net	483	16
Inventory	3,118	2,910
Prepaid expenses and other current assets	21	35
Total current assets	4,293	3,204
Property, equipment and leasehold improvements, net	7,442	9,543
Other assets	395	598
TOTAL ASSETS	**$ 12,130**	**$ 13,345**
Liabilities:		
Total current liabilities	$ 396	$ 213
Total long-term liabilities	307	415
TOTAL LIABILITIES	**$ 703**	**$ 628**

NOTE 5 – INVESTMENTS IN UNCONSOLIDATED AFFILIATES

Hydrofarm

On August 28, 2018, the Company entered into a Subscription Agreement with Hydrofarm Holdings Group, Inc. ("Hydrofarm"), one of the leading independent providers of hydroponic products in North America, pursuant to which the Company agreed to purchase from Hydrofarm and Hydrofarm agreed to sell to the Company 2,000,000 "Units", each Unit consisting of one share of common stock and one warrant to purchase one-half of a share of common stock for an initial exercise price of $5.00 per share, for $2.50 per Unit for an aggregate purchase price of $5.00 million. The investment in Hydrofarm was recorded at cost and was included in other assets on the consolidated balance sheet as of December 31, 2019.

On November 24, 2020, Hydrofarm's board of directors and stockholders approved an amendment to their amended and restated certificate of incorporation effecting a 1-for-3.3712 reverse stock split of their issued and outstanding shares of common stock. Subsequent to the reverse split, the Company owned 593,261 shares of common stock in Hydrofarm, with an exercise price at $8.43 per share, and 296,630 warrants to purchase one share of common stock, with an exercise price of $16.86 per share.

On December 14, 2020, Hydrofarm announced the closing of its initial public offering; shares of Hydrofarm began trading on the Nasdaq Global Select Market under the ticker symbol "HYFM." Hydrofarm's common shares outstanding on the closing date were 31,720,727; the Company's ownership percentage in Hydrofarm was approximately 1.9%.

Upon closing of Hydrofarm's initial public offering, the Company determined that the investment in Hydrofarm no longer qualifies to be stated at cost, as the equity security has a readily determinable value and therefore should be recorded at fair value. In the fourth quarter of 2020, the Company recorded its investment in Hydrofarm of 593,261 common shares at fair value, and the warrants to acquire an additional 296,630 of Hydrofarm common stock at an exercise price of $16.86, at their respective fair values. The difference in basis was recorded in current period earnings.

NOTE 6 – INVENTORY

Raw materials consists of material for NuLeaf and IVXX's lines of cannabis pure concentrates. Work-in-progress consists of cultivation materials and live plants grown at NuLeaf and Black Oak Gallery. Finished goods consists of cannabis products sold in retail.

Inventory as of December 31, 2020 and 2019 consisted of the following:

	(in thousands)	
	December 31, 2020	**December 31, 2019**
Raw materials	$ 39	$ 2,400
Work-in-progress	1,196	2,677
Finished goods	367	275
Inventory reserve	-	(1,018)
Total inventory	**$ 1,602**	**$ 4,334**

NOTE 7 – PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET

Property, equipment, and leasehold improvements, net consists of the following:

	(in thousands)	
	December 31, 2020	December 31, 2019
Land and building	$ 11,206	$ 11,206
Furniture and equipment	2,913	2,787
Computer hardware	215	299
Leasehold improvements	16,459	16,545
Construction in progress	9,922	9,676
Subtotal	40,715	40,513
Less accumulated depreciation	(8,235)	(5,044)
Property, equipment and leasehold improvements, net	**$ 32,480**	**$ 35,469**

Depreciation expense related to property, equipment and leasehold improvements for the years ended December 31, 2020 and 2019 was $3.77 million and $3.38 million, respectively.

Assets Divested

Blum Santa Ana

On February 26, 2020, the Company agreed to transfer governance and control of our dispensary operation located at 2911 Tech Center Drive, Santa Ana, CA to Martin Vivero and Tetra House Co. (“Tetra”), who are unaffiliated third parties. The Company received $2.00 million at closing and $1.45 million during the 3rd Quarter of 2020 in exchange for these assets. MediFarm So Cal Inc. (“MediFarm So Cal”), a wholly-owned subsidiary of the Company, terminated the existing management services agreement with 55 OC Community Collective Inc. (“55 OC”). 55 OC is a mutual benefit corporation which holds a cannabis license with the City of Santa Ana in the State of California. Previously, MediFarm So Cal managed the dispensary known as “Blum Santa Ana” under the license of 55 OC. Control of 55 OC was transferred to Mr. Vivero and Tetra House Co. via a new management services agreement and the appointment of Mr. Vivero to the Board of Directors of 55 OC, which was pending final regulatory approval as of the date of our report.

The Company recognized a loss upon sale of the assets equal to the difference between the consideration paid and the book value of the assets as of the disposition date, less direct costs to sell, and reflected such loss in discontinued operations.

The following table summarizes the transaction:

	(in thousands)
Total consideration	$ 3,800
Net book value of assets divested and liabilities transferred	
Inventory	23
Prepaid and other current assets	33
Property, plant & equipment	98
Intangible assets and goodwill	6,565
Other long-term assets	54
Lease liability, net of right-of-use asset	(78)
Net book value of assets divested and liabilities transferred	6,694
Loss on sale	$ (2,894)

Edible Garden

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The consideration paid for the Business included a five-year $3.00 million secured promissory note bearing interest at 3.5% per annum, which is reflected within the assets under discontinued operations, and two option agreements to purchase up to a 20% interest in the Purchaser for a nominal fee. The first option gives the Company the right to purchase a 10% interest in the Purchaser for one dollar at any time between the one and five-year anniversary of the transaction, or at any time should a change in control event or public offering occur. The second option gives the Company the right to purchase an additional 10% interest in the Purchaser for one dollar at any point prior to the five-year anniversary of the transaction. The second option is automatically terminated upon payment in full of the $3.00 million secured promissory note.

Michael James, the Company's former Chief Financial Officer, is a principal of the Purchaser. There is no material relationship between the Company or its affiliates and the Purchaser other than as set forth in the previous sentence. The Purchase Agreement contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

The Company recognized a loss upon sale of the assets equal to the difference between the consideration paid and the book value of the assets as of the disposition date and reflected such loss in discontinued operations. The following table summarizes the transaction:

	(in thousands)
Consideration	
Fair value of note receivable	$ 2,960
Fair value of options	330
Less: cash transferred to purchaser	(30)
Total consideration	$ 3,260
Net book value of assets divested and liabilities transferred	
Accounts receivable	$ 360
Inventory	520
Other current assets	80
Property, plant and equipment	4,100
Intangible assets	70
Other long-term assets	200
Accounts payable and accrued expenses	(1,700)
Lease liabilities, net of right of use assets	(70)
Net book value of assets divested and liabilities transferred	3,560
Loss on sale	$ (300)

Carnegie

On July 30, 2020, 1815 Carnegie LLC completed a transaction to sell real property in Santa Ana, CA to Dyer 18 LLC, an unaffiliated third party, for total cash consideration of $8.20 million and a gain of $1.2 million.

NOTE 8 – INTANGIBLE ASSETS AND GOODWILL

Goodwill

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities.

Goodwill is reviewed annually for impairment or more frequently if impairment indicators arise. The Company conducts its annual goodwill impairment assessment as of the last day of the third quarter, or more frequently under certain circumstances. For the purpose of the goodwill impairment assessment, the Company has the option to perform a qualitative assessment (commonly referred to as “step zero”) to determine whether further quantitative analysis for impairment of goodwill or indefinite-lived intangible assets is necessary or a quantitative assessment (“step one”) where the Company estimates the fair value of each reporting unit using a discounted cash flow method (income approach). Goodwill is assigned to the reporting unit, which is the operating segment level or one level below the operating segment. The balance of goodwill at December 31, 2020 and 2019 was $6.17 million and $21.47 million, respectively and was attributed to the Cannabis reportable segment.

The table below summarizes the changes in the carrying amount of goodwill:

Balance at December 31, 2018	$ 28,921
Impairment	(7,450)
Balance at December 31, 2019	21,471
Impairment	(15,300)
Balance at December 31, 2020	$ 6,171

The Company tests for impairment annually on September 30, and between annual tests if the Company becomes aware of an event or a change in circumstances that would indicate the carrying value may be impaired. During the first quarter of 2020, the impact of COVID-19 on the retail industry as well as uncertainty around when the Company would be able to resume its normal operations contributed to a significant and prolonged decline in the Company's stock price, resulting in the market capitalization of the Company falling below its carrying value. As a result, management determined that a triggering event had occurred as it was more likely than not that the carrying values of the Black Oak Gallery reporting unit exceeded its fair value. Accordingly, the Company performed a quantitative assessment of the fair value of Black Oak Gallery's goodwill as of March 31, 2020 using a market capitalization approach. This analysis resulted in an impairment charge of $4.20 million recorded in the first quarter of 2020. The goodwill impairment charge was measured as the amount by which the carrying amount of the reporting unit, including goodwill, exceeded its fair value.

During the second quarter of 2020, COVID-19 and civil unrest in Oakland, California continued to have a material negative impact on the financial results of the Black Oak Gallery reporting unit. As a result, management determined that a triggering event had occurred as it was more likely than not the carrying value Black Oak Gallery's goodwill exceeded its fair value. Accordingly, the Company performed a quantitative assessment of the fair value of Black Oak Gallery's goodwill as of June 30, 2020 using an income approach. The analysis resulted in an impairment charge of $2.75 million recorded in the second quarter of 2020. The goodwill impairment charge was measured as the amount by which the carrying amount of the reporting unit, including goodwill, exceeded its fair value.

During the third quarter of 2020, COVID-19 and the aftermath of civil unrest in Oakland, California continued to have a material negative impact on the financial results of the Black Oak Gallery reporting unit. The Company completed its annual testing for impairment as of September 30, 2020 using the Guideline Public Company method. The results of the step one assessment indicated the carrying value of the reporting unit exceeded the fair value by $8.35 million as of September 30, 2020. As a result, the Company recognized an impairment charge of $8.35 million during the third quarter of 2020.

During the fourth quarter of 2020, Black Oak's dispensary reopened and revenue climbed to levels seen in Q2, before the store was forced to close for repairs due to the rioting/civil unrest. There were no significant one-time events that took place in Q4 or significant fluctuations in financial metrics. The Company's overall market capitalization increased from $14.8M to $29.68M. The overall outlook for the cannabis industry also improved during the fourth quarter of 2020, largely due to the election results (Joe Biden pledged to decriminalize marijuana at a federal level). Management assessed all intangible assets (definite-lived and indefinite-lived) and investments for potential impairment and concluded that there were no indications of impairment in the fourth quarter of 2020.

The impairment charges relating to goodwill and other assets are presented in the "Impairment of Assets" line in the Consolidated Statements of Operations.

Intangible Assets Net

Intangible assets consisted of the following as of December 31, 2020 and 2019:

		(in Thousands)					
		December 31, 2020			December 31, 2019		
	Estimated Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Amortizing Intangible Assets:							
Customer Relationships	3 to 5	$ 7,400	$ (7,400)	$ -	$ 7,860	$ (5,608)	$ 2,252
Trademarks and Patent	2 to 8	196	(187)	9	196	(166)	30
Dispensary Licenses	14	10,270	(3,485)	6,785	10,270	(2,751)	7,519
Total Amortizing Intangible Assets		**17,866**	**(11,072)**	**6,794**	**18,326**	**(8,525)**	**9,801**
Non-Amortizing Intangible Assets:							
Trade Name	Indefinite	920	-	920	5,070	-	5,070
Total Non-Amortizing Intangible Assets		**920**	**-**	**920**	**5,070**	**-**	**5,070**
Total Intangible Assets, Net		**$ 18,786**	**$ (11,072)**	**$ 7,714**	**$ 23,396**	**$ (8,525)**	**$ 14,871**

Long-lived assets other than goodwill and indefinite-lived intangible assets, held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The Company evaluates recoverability of assets to be held and used and if the carrying value is not recoverable, the Company fair values the asset and compares to the carrying value. If the asset is considered to be impaired, the impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value. The analysis for impairment of long-lived assets other than goodwill and indefinite-lived intangible assets is the first impairment analysis performed and related impairment charges are recognized before the impairment of goodwill analysis.

During 2020, the impact of COVID-19 on the retail industry had a negative impact on our revenues and management was forced to limit store operating hours due to the pandemic. Management believes the COVID-19 outbreak will continue to have a material negative impact on the Company's financial results. These factors, including management's revised forecast for the future performance of our Black Oak Gallery reporting unit, indicated the carrying value of Black Oak Gallery's customer relationships and trade name may not be recoverable. Management evaluated the recoverability of the customer relationships using level 3 inputs and a probability-weighted approach to assess the potential impact of a long-term decline in our existing customer base due to the COVID-19 pandemic. The recoverability test indicated that the book value of customer relationships exceeded fair value. As a result, the Company recognized impairment charges of $0.46 million during 2020.

The company evaluates impairment of the Black Oak Gallery trade name using level 3 inputs and an income approach. The recoverability test indicated that the book value of the trade name exceeded the fair value. The Company recognized impairment charges of $4.15 million in 2020.

The Company recorded amortization expense of $2.55 million and $3.02 million for the years ended December 31, 2020 and 2019, respectively. Based solely on the amortizable intangible assets recorded as of December 31, 2020, the Company estimates amortization expense for the next five years to be as follows:

	(in thousands) Year Ending December 31,					
	2021	2022	2023	2024	2025 and thereafter	Total
Amortization expense	$ 742	$ 734	$ 734	$ 734	$ 3,851	$ 6,794

Actual amortization expense to be reported in future periods could differ from these estimates as a result of new intangible asset acquisitions, changes in useful lives or other relevant factors or changes.

NOTE 9 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

	(in thousands)	
	December 31, 2020	December 31, 2019
Accounts Payable	$ 6,027	$ 5,181
Sales & Local Tax Payable	258	210
Accrued Payroll	68	647
Accrued Expenses	2,268	3,488
Total Accounts Payable and Accrued Expenses	$ 8,621	$ 9,526

NOTE 10 – NOTES PAYABLE

Notes payable consists of the following:

	(in thousands)	
	December 31, 2020	December 31, 2019
Promissory note dated November 22, 2017, issued for the purchase of real property. Matures December 1, 2020, with an option to extend the maturity date 1 year. The promissory note bears interest at 12.0% for year one and escalates 0.5% per year thereafter up to 13.5%. In the event of default, the note is convertible at the holder's option.	$ -	$ 4,500
Promissory note dated January 18, 2018, issued for the purchase of real property. The promissory note is collateralized by the land and building purchased and matures January 18, 2022. The promissory note bears interest at 12.0% for year one and escalates 0.5% per year thereafter. The full principle balance and accrued interest are due at maturity. In the event of default, the note is convertible at the holder's option.	6,500	6,500
Promissory note dated October 5, 2018, issued for the purchase of real property. Matures October 5, 2021. The promissory note bears interest at 12.0% for year one and escalates 0.5% per year thereafter up to 13.5%. In the event of default, the note is convertible at the holder's option.	1,600	1,600
Promissory note dated June 11, 2019, issued to accredited investors, which matures December 31, 2021 and bears interest at a rate of 7.5% per annum. The conversion price is the lower of $4.50 or 87% of the average of the two (2) lowest VWAPs in the thirteen (13) trading days prior to the conversion date.	2,800	4,000
Promissory note dated October 21, 2019, issued to accredited investors, which matures April 21, 2021 and bears interest at a rate of 7.5% per annum. The conversion price is the lower of $4.50 or 87% of the average of the two (2) lowest VWAPs in the thirteen (13) trading days prior to the conversion date.	725	1,500
Secured promissory note dated December 30, 2019, issued to Matthew Lee Morgan Trust (a related party), which matures January 30, 2021, and bears interest at a rate of 10% per annum.	500	500
Secured promissory note dated January 10, 2020, issued to an unaffiliated third party. The note matures on July 10, 2021 and incurs an interest rate of 15.0% per annum.	1,000	-
Promissory note dated May 4, 2020, issued to Harvest Small Business Finance, LLC, an unaffiliated third party. Loan is part of the Paycheck Protection Program ("PPP Loan") offered by the U.S. Small Business Administration. The interest rate on the note is 1%. The note requires interest and principle payments seven months from July 2020. The note matures in two years.	562	-
Promissory note dated July 29, 2020, issued to an unaffiliated third party. The note incurs an interest rate of 8% per annum and matures on April 28, 2021.	1,000	-
Notes payable - promissory notes	$ 14,687	$ 18,600
Vehicle loans	29	46
Less: Short term debt	(8,033)	(11,021)
Less: Debt discount	(51)	(1,055)
Net Long Term Debt	**$ 6,632**	**$ 6,570**

Scheduled Maturities of Debt

Scheduled maturities of debt are as follows:

	(in thousands)		
	Year Ending December 31,		
	2021	2022	Total
Total Debt	$ 8,033	$ 6,683	$ 14,716

Promissory Notes

On November 22, 2017, the Company entered into a $4.50 million promissory note for the purchase of land and a building in California with a third-party creditor. The promissory note is collateralized by the land and building purchased and matures in December 1, 2020. The interest rate for the first year is 12.0% and increases 0.5% per year through 2020. Payments of interest only are due monthly. The full principle balance and accrued interest were paid upon sale of the real estate during 2020.

On January 18, 2018, the Company entered into a $6.50 million promissory note for the purchase of land and a building in California with a third-party creditor. As part of the closing of the purchase of land, the Company issued warrants with a value of approximately $0.16 million and paid a cash fee of $0.20 million. The warrants and cash fee were recorded as a debt discount. The unamortized balance of such discount as of December 31, 2020 and December 31, 2019 was zero and $0.14 million, respectively. The interest rate for the first year is 12.0% and increases 0.5% per year, up to 13.0%, through 2021. Payments of interest only are due monthly. The full principle balance and accrued interest are due at maturity.

On October 5, 2018, the Company entered into a $1.60 million promissory note for the purchase of a building in Nevada with a third-party creditor. The promissory note is collateralized by the building purchased and matures in October 5, 2021. The interest rate for the first year is 12.0% and increases 0.5% per year through 2020. Payments of interest only are due monthly. The full principle balance and accrued interest are due at maturity.

2018 Master Securities Purchase Agreement and Convertible Promissory Notes

In March 2018, the Company entered into the 2018 Master Securities Purchase Agreement with an accredited investor pursuant to which the Company sells to the accredited investor 7.5% Senior Convertible Promissory Notes in eight tranches averaging $5.00 million, for a total of $40.00 million. The Company converted $1.98 million of convertible notes into the Company's common stock during the year ended December 31, 2020. As of December 31, 2020, $3.53 million of principle remains outstanding.

For each note issued under the 2018 Master Securities Purchase Agreement, the principal and interest due and owed under the note is convertible into shares of Common Stock at any time at the election of the holder at a conversion price per share equal to the lower of (i) the original conversion price as defined in each note issuance or (ii) 87% of the average of the two lowest daily volume weighted average price of the Common Stock in the thirteen (13) trading days prior to the conversion date ("Conversion Price"). The Conversion Price is subject to adjustment for (i) stock splits, stock dividends, combinations, or similar events and (ii) full ratchet anti-dilution protection. Upon certain events of default, the conversion price will automatically become 70% of the average of the three (3) lowest volume weighted average prices of the Common Stock in the twenty (20) consecutive trading days prior to the conversion date for so long as such event of default remains in effect.

In addition, at any time that (i) the daily volume weighted average price of the Common Stock for the prior ten (10) consecutive trading days is $10.50 or more and (ii) the average daily trading value of the Common Stock is greater than $2.50 million for the prior ten (10) consecutive trading days, then the Company may demand, upon one (1) days' notice, that the holder convert the notes at the Conversion Price.

The Company may prepay in cash any portion of the outstanding principal amount of the notes and any accrued and unpaid interest by, upon ten (10) days' written notice to the holder, paying an amount equal to (i) 110% of the sum of the then-outstanding principal amount of the notes plus accrued but unpaid interest, if the prepayment date is within 90 days of the issuance date of the notes; (ii) 115% of the sum of the then-outstanding principal amount plus accrued but unpaid interest, if the prepayment date is between 91 days and 180 days of the issuance date of the notes; or (iii) 125% of the sum of the then-outstanding principal amount of the notes plus accrued but unpaid interest, if the prepayment date is after 180 days of the issuance date of the notes.

During the years ended December 31, 2020 and 2019, the Company converted debt and accrued interest into 31,086,209 and 29,380,222 shares of the Company's common stock, respectively.

Additional Financing Arrangements

On December 30, 2019, the Company issued a promissory note to Matthew Lee Morgan Trust (a related party), which matures on January 30, 2021. The note accrues interest at a rate of 10% per annum. The note was converted into the Company's common stock in January of 2021.

On January 10, 2020, the Company issued a promissory note to an unaffiliated third party, in the amount of $1.00 million dollars. The note accrues interest at a rate of 15.00% per annum and matures on January 10, 2021. The note is secured by the Company's real estate located at 620 E. Dyer Rd., Santa Ana, CA.

On May 4, 2020, OneQor Technologies, Inc entered into a Promissory Note dated May 4, 2020 (the "PPP Note") with Harvest Small Business Finance, LLC (the "Lender"), pursuant to which the Lender agreed to make a loan to the Company under the Paycheck Protection Program (the "PPP Loan") offered by the U.S. Small Business Administration (the "SBA") in a principal amount of $0.56 million pursuant to Title 1 of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The PPP Loan proceeds are available to be used to pay for payroll costs, including salaries, commissions, and similar compensation, group health care benefits, and paid leaves; rent; utilities; and interest on certain other outstanding debt. The amount that will be forgiven will be calculated in part with reference to OneQor's full time headcount during the eight week period following the funding of the PPP loan. The interest rate on the PPP Note is a fixed rate of 1% per annum. To the extent that the amounts owed under the PPP Loan, or a portion of them, are not forgiven, OneQor will be required to make principal and interest payments in monthly installments beginning seven months from April 2020. The PPP Note matures in two years. The PPP Note includes events of default. Upon the occurrence of an event of default, the lender will have the right to exercise remedies against OneQor, including the right to require immediate payment of all amounts due under the PPP Note.

On July 29, 2020, the Company issued a promissory note to an unaffiliated third party, in the amount of $1.00 million. The note incurs interest at a rate of 8.00% per annum and matures on April 28, 2021.

NOTE 11 – LEASES

A lease provides the lessee the right to control the use of an identified asset for a period of time in exchange for consideration. Operating lease right-of-use assets ("ROU assets") are included in other assets while lease liabilities are a line-item on the Company's Consolidated Balance Sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company determines if an arrangement is a lease at inception. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Most operating leases contain renewal options that provide for rent increases based on prevailing market conditions. The terms used to calculate the ROU assets for certain properties include the renewal options that the Company is reasonably certain to exercise.

The discount rate used to determine the commencement date present value of lease payments is the interest rate implicit in the lease, or when that is not readily determinable, the Company utilizes its secured borrowing rate. ROU assets include any lease payments required to be made prior to commencement and exclude lease incentives. Both ROU assets and lease liabilities exclude variable payments not based on an index or rate, which are treated as period costs. The Company's lease agreements do not contain significant residual value guarantees, restrictions or covenants.

The Company occupies office facilities under lease agreements that expire at various dates. In addition, office, production and transportation equipment is leased under agreements that expire at various dates. The Company does not have any significant finance leases. Total operating lease costs for the years ended December 31, 2020 and December 31, 2019 were $0.86 million and $0.81 million, respectively. Short-term lease costs during the 2020 and 2019 fiscal years were not material.

As of December 31, 2020 and December 31, 2019, short term lease liabilities of $0.81 million and $1.06 million are included in "Accounts Payable and Accrued Expenses" on the consolidated balance sheets, respectively. The table below presents total operating lease ROU assets and lease liabilities as of December 31, 2020:

	(in thousands)
Operating lease ROU assets	$ 8,137
Operating lease liabilities	8,895

The table below presents the maturities of operating lease liabilities as of December 31, 2020:

	(in thousands) Operating Leases
2021	$ 1,667
2022	2,506
2023	1,801
2024	1,561
2025	1,471
Thereafter	5,015
Total lease payments	14,021
Less: discount	(5,126)
Total operating lease liabilities	$ 8,895

The table below presents the weighted average remaining lease term for operating leases and weighted average discount rate used in calculating operating lease right-of-use assets:

	December 31, 2020
Weighted average remaining lease term (years)	8.4
Weighted average discount rate	11.7%

NOTE 12 – TAX EXPENSE

The components of deferred income tax assets and (liabilities) are as follows:

	Year Ended December 31,	
	2020	2019
Deferred income tax assets:		
Options expense	$ 2,871	$ 2,314
Depreciation	194	203
Allowance for Doubtful Accounts	291	663
Net operating Losses	19,676	14,921
Total	23,032	18,101
Deferred income tax liabilities:		
Unrealized gain on investments	(8,658)	-
Total	14,374	18,101
Valuation allowance	(14,374)	(18,101)
Net deferred tax assets (liabilities)	$ -	$ -

The company did not incur income tax expense or benefit for the years ended December 31, 2020 or 2019 from continuing or discontinued operations. The reconciliation between the Company's effective tax rate and the statutory tax rate is as follows:

	Year Ended December 31,	
	2020	2019
Expected Income Tax Benefit at Statutory Tax Rate, Net	$ (6,151)	$ (9,705)
Amortization	713	641
IRC 280E adjustment	2,683	3,785
State taxes	(2,045)	
Impairment of assets	-	73
Impairment of intangibles	5,572	1,680
Other	613	29
Uncertain tax position	2,342	-
Change In valuation allowance	(3,727)	3,496
Reported income tax expense (benefit)	$ -	$ -

For the years ended December 31, 2020 and 2019, the Company had subsidiaries that produced and sold cannabis or cannabis pure concentrates, subjecting the Company to the limits of Internal Revenue Code ("IRC") Section 280E. Pursuant to IRC Section 280E, the Company is allowed only to deduct expenses directly related to sales of product. The State of California does not conform to IRC Section 280E and, accordingly the Company is allowed to deduct all operating expenses on its California income tax returns. As the Company files consolidated federal income tax returns, the taxable income generated from its subsidiaries subject to IRC Section 280E has been offset by losses generated by operations not subject to IRC Section 280E.

As of December 31, 2020, and 2019, the Company had net operating loss carryforwards of approximately $44.58 million and $47.48 million, respectively, which, if unused, will expire beginning in the year 2034. These tax attributes are subject to an annual limitation from equity shifts, which constitute a change of ownership as defined under IRC Section 382, which will limit their utilization. The Company assessed the effect of these limitations and did not believe the losses through December 31, 2020 to be substantially limited.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative losses incurred through the period ended December 31, 2020. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth. On the basis of this evaluation, as of December 31, 2020, a valuation allowance of has been recorded against all net deferred tax assets as these assets are more likely than not to be unrealized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence such as our projections for growth.

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. All tax years are subject to examination.

Under ASC 740-10, Income Taxes, we periodically review the uncertainties and judgments related to the application of complex income tax regulations to determine income tax liabilities in several jurisdictions. We use a "more likely than not" criterion for recognizing an asset for unrecognized income tax benefits or a liability for uncertain tax positions. We have determined we have unrecognized assets related to uncertain tax positions for IRC Section 280E as of December 31, 2020. We do not anticipate any significant changes in such uncertainties and judgments during the next twelve months. To the extent we are required to recognize interest and penalties related to unrecognized tax liabilities, this amount will be recorded as an accrued liability. As of December 31, 2020, we had $11.15 million of unrecognized tax benefits, all of which would affect the effective tax rate if recognized. Of the $11.15 million in unrecognized tax benefits, $2.06 million relate to 2020 and $9.09 million relate to prior years.

NOTE 13 – EQUITY

Preferred Stock

The Company authorized 50.00 million shares of preferred stock with $0.001 par value per share. The Company designated 100 shares of preferred stock as "Series A Preferred Stock," of which there were 8 shares of Series A Preferred Stock outstanding as of December 31, 2020 and 2019. Series A Preferred Stock is convertible on a one-for-one basis into common stock and has all of the voting rights of the Company's common stock. On January 22, 2021, the Company agreed to purchase the 8 outstanding shares of Series A Preferred Stock for cash and common stock. On February 3, 2021, the Company filed with the proper regulatory authorities and eliminated the Series A and Series B preferred stock.

Common Stock

The Company authorized 990.00 million shares of common stock with $0.001 par value per share. As of December 31, 2020 and 2019, 194.20 million and 118.00 million shares of common stock were issued and outstanding, respectively.

Treasury Stock

During 2019, the Company acquired 2.31 million shares of common stock and 4 shares of Series A Preferred stock as part of a litigation settlement. The shares were recorded at fair market value as of the date the agreement was executed.

NOTE 14 – STOCK-BASED COMPENSATION

Equity Incentive Plans

In the first quarter of 2016, the Company adopted the 2016 Equity Incentive Plan. In the fourth quarter of 2018, the Company adopted the 2018 Equity Incentive Plan. The following table contains information about both plans as of December 31, 2020:

	Awards Reserved for Issuance	Awards Outstanding	Awards Available for Grant
2016 Equity Incentive Plan	2,000,000	544,937	1,455,063
2018 Equity Incentive Plan	43,976,425	16,600,535	27,375,890

Stock Options

The following table summarizes the Company's stock option activity and related information for the year ended December 31, 2020 and 2019:

	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value of In-the-Money Options
Options Outstanding as of December 31, 2018	**8,400,629**	$ 1.61		
Options Granted	4,174,428	$ 0.62		
Options Exercised	-	$ -		
Options Forfeited	(209,762)	$ 1.39		
Options Expired	-	$ -		
Options Outstanding as of December 31, 2019	**12,365,295**	**$ 1.61**		
Options Granted	12,803,918	$ 0.08		
Options Exercised	-	$ -		
Options Forfeited	(7,203,334)	$ 1.19		
Options Expired	(473,049)	$ 1.51		
Options Outstanding as of December 31, 2020	**17,492,830**	**$ 0.41**	**8.6 years**	**$ 830,942**
Options Exercisable as of December 31, 2020	**6,593,146**	**$ 0.77**	**8.3 years**	**$ 229,434**

The aggregate intrinsic value is calculated as the difference between the Company's closing stock price of $0.15 on December 31, 2020 and the exercise price of options, multiplied by the number of options. As of December 31, 2020, there was $1.24 million total unrecognized stock-based compensation. Such costs are expected to be recognized over a weighted-average period of approximately 2.75 years. The weighted average fair value of awards granted was $0.08 and $0.53 during 2020 and 2019, respectively.

The Company recognizes compensation expense for stock option awards on a straight-line basis over the applicable service period of the award. The service period is generally the vesting period. The following weighted-average assumptions were used to calculate stock-based compensation:

	Year Ended December 31,	
	2020	2019
Expected term	6 Years	6 Years
Volatility	104.6%	115.6%
Risk-Free Interest Rate	0.4%	1.9%
Dividend Yield	0%	0%

The Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior. Hence, the Company uses the "simplified method" described in Staff Accounting Bulletin 107 to estimate the expected term of share option grants.

The expected stock price volatility assumption was determined by examining the historical volatilities for the Company's common stock. The Company will continue to analyze the historical stock price volatility and expected term assumptions as more historical data for the Company's common stock becomes available.

The risk-free interest rate assumption is based on the U.S. treasury instruments whose term was consistent with the expected term of the Company's stock options.

The expected dividend assumption is based on the Company's history and expectation of dividend payouts. The Company has never paid dividends on its common stock and does not anticipate paying dividends on its common stock in the foreseeable future. Accordingly, the Company has assumed no dividend yield for purposes of estimating the fair value of the Company stock-based compensation.

Stock-Based Compensation Expense

The following table sets forth the total stock-based compensation expense resulting from stock options and restricted grants of common stock to employees, directors and non-employee consultants in the consolidated statement of operations which are included in selling, general and administrative expenses:

	(in thousands, except for number of shares or options) For the Year Ended			
	December 31, 2020		December 31, 2019	
Type of Award	Number of Shares or Options Granted	Stock-Based Compensation Expense	Number of Shares or Options Granted	Stock-Based Compensation Expense
Stock Options	12,803,918	$ 1,868	4,174,428	$ 4,343
Stock Grants:				
Employees (Common Stock)		142	740,580	473
Directors (Common Stock)		105	173,610	102
Non–Employee Consultants (Common Stock)		60	715,065	369
Total Stock–Based Compensation Expense		**$ 2,175**		**$ 5,287**

NOTE 15 – WARRANTS

The following table summarizes warrant activity for the years ended December 31, 2020 and 2019:

	Shares	Weighted-Average Exercise Price
Warrants Outstanding as of January 1, 2019	1,053,252	$ 4.28
Warrants Granted	454,237	$ 0.69
Warrants Expired	(194,029)	$ 2.08
Warrants Outstanding as of December 31, 2019	1,313,459	$ 2.67
Warrants Expired	(236,904)	$ 5.73
Warrants Outstanding as of December 31, 2020	1,076,555	$ 1.99

The weighted-average exercise price and weighted-average fair value of the warrants granted by the Company in 2019 were as follows (note- no warrants granted in 2020):

	For the Year Ended December 31, 2019	
	Weighted-Average Exercise Price	Weighted-Average Fair Value
Warrants Granted Whose Exercise Price Exceeded Fair Value at the Date of Grant	$ 0.69	$ 0.41
Warrants Granted Whose Exercise Price Was Equal or Lower Than Fair Value at the Date of Grant	$ -	$ -

The Company estimated the fair value of the warrants issued in 2019 utilizing the Black-Scholes option-pricing model with the following weighted-average inputs (note- no warrants granted in 2020):

	Year Ended December 31, 2019
Stock Price on Date of Grant	$ 0.69
Exercise Price	$ 0.72
Volatility	96.9%
Term	5Years
Risk-Free Interest Rate	2.0%
Expected Dividend Rate	0.0%

For the years ended December 31, 2020 and 2019, zero and $0.18 million of warrants were issued in connection with debt and recorded as a debt discount.

NOTE 16 – FAIR VALUE MEASUREMENTS

As of December 31, 2020, the Company owned 593,261 common shares of Hydrofarm, a public company trading on the Nasdaq Global Select Market under the ticker symbol "HYFM." The Company's investment in Hydrofarm is stated at fair value and is presented in the "Short term investments" line within the consolidated balance sheet. As the Hydrofarm shares held by the Company are restricted from sale for a period of 180 days from the date of Hydrofarm's initial public offering, the fair value of the Company's investment is estimated utilizing the market price of the common shares at the end of each reporting period (a level one input), less a discount for lack of marketability (a level two input). The discount for marketability was estimated upon consideration of volatility and the length of the lock-up period On December 31, 2020, the HYFM stock price was $52.58 and the investment value was $23.85 million. Changes in the fair value of the Company's investment are reported in current period earnings.

As of December 31, 2020, the Company held 296,630 warrants to purchase one share of Hydrofarm's common stock, with an exercise price of $16.86 per share. As the underlying shares are restricted from sale for a period of 180 days from the date of Hydrofarm's initial public offering, the fair value of the warrants are estimated using the black-scholes merten option pricing model that uses several inputs, including market price of Hydrofarm's common shares at the end of each reporting period (a level one input), less a discount for lack of marketability (a level three input). The discount for lack of marketability was estimated upon consideration of volatility and the length of the lock-up period. The warrants are valued at $10.20 million as of December 31, 2020. Changes in the fair value of the Company's investments in the warrants are reported in current period earnings.

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). The consideration paid for the Business included two option agreements to purchase up to a 20% interest in the Purchaser for a nominal fee. The first option gives the Company the right to purchase a 10% interest in the Purchaser for one dollar at any time between the one and five-year anniversary of the transaction, or at any time should a change in control event or public offering occur. The second option gives the Company the right to purchase an additional 10% interest in the Purchaser for one dollar at any point prior to the five-year anniversary of the transaction. The second option is automatically terminated upon payment in full of the $3.00 million secured promissory note.

Management estimated the fair value of the options using the Black-Scholes model, utilizing level 3 inputs that included the stock price, annual volatility, and the probability the second option will be terminated due to repayment of the secured promissory note. The estimated fair value of the options was $0.33 million as of December 31, 2020. The options are included in the "Investments" line within the consolidated balance sheet.

NOTE 17 – BUSINESS COMBINATIONS

On February 14, 2020, the Company acquired all of the assets of OneQor Technologies, Inc. ("OneQor"). The acquisition of OneQor was accounted for in accordance with ASC 805-10, *"Business Combinations."* The total consideration transferred included 58,154,027 shares of the Company's common stock, with a fair value of $9.31 million. The preliminary allocation of the purchase price was based upon a preliminary valuation, and the Company's estimates and assumptions of the assets acquired and liabilities assumed were subject to change within the measurement period pending the finalization of a third-party valuation. The multi-period excess earnings method, an income approach, was utilized to estimate the fair value of OneQor's customer relationships. The relief-from-royalty method, an income approach, was utilized to estimate the fair value of OneQor's trade name. The following table summarizes the preliminary allocation of the purchase price:

		(in thousands)
Assets acquired		
Accounts receivable	$	51
Inventory		81
Prepaid expenses		241
Property, plant and equipment		80
Customer relationships		3,070
Trade name		690
Goodwill		6,763
Other long-term assets		260
Total Assets acquired	**$**	**11,237**
Liabilities assumed		
Accounts payable and accrued expenses	$	1,481
Deferred income		300
Short-term debt		100
Long-term lease liabilities		108
Total liabilities assumed	**$**	**1,990**

During the year ended December 31, 2020, the Company recognized $1.21 million of revenue and a net loss of $12.29 million from OneQor. In the view of management, goodwill reflected the future cash flow expectations for OneQor's market position in the growing CBD industry, synergies and the assembled workforce, at the time of the acquisition. Goodwill recorded for the OneQor transaction is non-deductible for tax purposes.

Supplemental Pro-Forma Information (Unaudited)

Supplemental information on an unaudited pro-forma basis is reflected as if each of the OneQor acquisition had occurred at the beginning of 2019, after giving effect to certain pro forma adjustments primarily related to interest expense, amortization of acquired intangible assets and the elimination of expense associated with convertible debt securities that were accounted for as derivative instruments.

The pro-forma supplemental information is based on estimates and assumptions that the Company believes are reasonable. The supplemental pro-forma financial information is presented for comparative purposes only and is not necessarily indicative of what the Company's financial position or results of operations actually would have been had the Company completed the acquisitions at the dates indicated, nor is it intended to project the future financial position or operating results of the Company as a result of the OneQor acquisition. As of December 31, 2020, OneQor's results are included in discontinued operations, however the tables below assume OneQor was included in continuing operations.

	For the Year Ended	
	12/31/2020	12/31/2019
Pro-forma revenues	$ 15,492	$ 17,984
Pro-forma net loss from continuing operations	(26,088)	(50,382)

NOTE 18 – COMMITMENTS AND CONTINGENCIES

California Operating Licenses

Terra Tech entities have operated compliantly and have been eligible for applicable licenses and renewals of our licenses. Currently, we have received annual as well as provisional licenses from California's cannabis licensing agencies. We are actively working with the State to provide all required information and have confidence that the provisional licenses that we have received will become annual licenses in the future.

NOTE 19 – DISCONTINUED OPERATIONS

On May 8, 2019, MediFarm LLC, a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into an Asset Purchase Agreement (the "Purchase Agreement") with Picksy, LLC (the "Purchaser") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase substantially all of the assets of the Company related to the Company's dispensary located at 1130 East Desert Inn Road, Las Vegas, NV 89109 (the "Business"). The aggregate consideration to be paid for the Business is $10.00 million, of which $7.20 million is cash (the "Purchase Price"). A portion of the Purchase Price is payable by the Purchaser pursuant to a 12 month Secured Promissory Note with a principal amount of $2.80 million (the "Note"). The Note is secured by all the assets sold pursuant to the Purchase Agreement. In conjunction with the Note, Purchaser and the Company entered into a Security Agreement granting the Company a security interest in all the assets sold pursuant to the Purchase Agreement. The transaction has been approved by the Nevada Department of Taxation and is awaiting local government approval which is being impacted by COVID-19. It is expected to close promptly following receipt of such approval.

On August 19, 2019, MediFarm I LLC, a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into an Asset Purchase Agreement (the "Purchase Agreement") with Picksy Reno, LLC (the "Purchaser") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase substantially all of the assets of the Company related to the Company's dispensary located at 1085 S Virginia St Suite A, Reno, NV 89502 (the "Business"). The aggregate consideration to be paid for the Business is $13.50 million, of which $9.30 million is cash (the "Purchase Price"). A portion of the Purchase Price is payable by the Purchaser pursuant to a 12 month Secured Promissory Note with a principal amount of $4.20 million (the "Note"). The Note is secured by all the assets sold pursuant to the Purchase Agreement. In conjunction with the Note, Purchaser and the Company entered into a Security Agreement granting the Company a security interest in all the assets sold pursuant to the Purchase Agreement. The transaction has been approved by the Nevada Department of Taxation and is awaiting local government approval which is being impacted by COVID-19.It is expected to close promptly following receipt of such approval.

On April 15, 2020, MediFarm LLC, a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into an Asset Purchase Agreement (the "Purchase Agreement") with Natural Medicine, LLC, a non-affiliated third party (the "Purchaser") pursuant to which the Company agreed to sell and the Purchaser agreed to purchase substantially all of the assets of the Company related to the Company's dispensary located at 3650 S. Decatur Blvd., Las Vegas, NV. The aggregate consideration to be paid for the Business is $5.25 million, of which $2.50 million is cash and $2.75 million is payable by the Purchaser pursuant to a 12-month Secured Promissory Note bearing 8% interest per annum, which is secured by all of the assets sold pursuant to the Purchase Agreement. The transaction has been approved by the Nevada Department of Taxation and is awaiting local government approval which is being impacted by COVID-19. It is expected to close promptly following receipt of such approval.
The company will recognize a gain upon completion of the sale of the assets, equal to the difference between the consideration paid and the book value of the assets as of the disposition date, less direct costs to sell, and reflect such loss in discontinued operations.

As of December 31, 2020, Management classified a real estate asset held in California and a real estate asset held in Nevada as available-for-sale, as they met the criteria of ASC 360-10-45-9. Assets divested, as disclosed in Note 7, *"Property, Equipment and Leasehold Improvements,"* are included in discontinued operations.

The pending sales of our Nevada dispensaries, expected sales of real estate assets, and assets divested during 2020 represent a strategic shift that will have a major effect on the Company's operations and financial results. As a result, Management determined the results of these components qualified for discontinued operations presentation in accordance with ASC 205, *"Reporting Discontinued Operations and Disclosure of Disposals of Components of an Entity."*

During 2020, Management suspended the operations of OneQor Technologies due to (i) a lack of proper growth in customer acquisition and revenue for this CBD operation during the COVID-19 pandemic and (ii) the overall financial health of the Company as a result of COVID-19 and social unrest. The Company plans to focus its attention and resources on growing its THC business.

Operating results for discontinued operations were comprised of the following:

	(in thousands) Year ended December 31,	
	2020	2019
Total revenues	$ 3,613	$ 22,068
Cost of goods sold	2,915	12,531
Gross profit	698	9,537
Selling, general and administrative expenses	5,425	12,451
Impairment of assets	10,359	34
Loss on sale of assets	1,997	53
Income (Loss) from operations	**$ (17,083)**	**$ (3,001)**
Interest expense	(560)	(855)
Other income (loss)	12	152
Income (Loss) from discontinued operations	**$ (17,631)**	**$ (3,704)**
Income (Loss) from discontinued operations per common share attributable to Terra Tech Corp common stockholders - basic and diluted	**$ (0.02)**	**$ (0.03)**

The carrying amounts of the major classes of assets and liabilities for the discontinued operations are as follows:

	(in thousands) December 31, 2020	December 31, 2019
Accounts receivable, net	$ -	1,096
Inventory	-	1,073
Prepaid expenses and other assets	2	271
Property, equipment and leasehold improvements, net	2,766	15,069
Intangible assets, net	-	399
Goodwill	-	6,251
Other assets	186	1,079
Assets of discontinued operations	**$ 2,954**	**$ 25,238**
Accounts payable and accrued expenses	$ 985	$ 3,284
Deferred gain on sale of assets	8,783	3,750
Long-term lease liabilities	28	869
Liabilities of discontinued operations	**$ 9,796**	**$ 7,903**

NOTE 20 – SEGMENT INFORMATION

During 2018, the Company acquired additional real property and determined that a previously insignificant operating segment*"Real Estate and Construction"* was significant and was a reportable segment requiring disclosure in accordance with ASC 280. As of September 30, 2020, the majority of our real property is included in discontinued operations. The largest entity within the *Real Estate and Construction* segment is Dyer. Throughout 2020, our Dyer entity has been included in the *Cannabis* segment for internal reporting as it was planned to be an operational Cannabis Dispensary by late 2020.As of September 30, 2020, the "*Real Estate and Construction*" has been merged with our "*Cannabis Dispensary, Cultivation, and Production*" reportable segment. Thus the Company has only one reportable segment.

During the quarter ended June 30, 2020, the "*Herbs and Produce Products"* segment was discontinued and is included in discontinued operations. Prior period information below has been revised to conform to current period presentation.

NOTE 21 – LITIGATION AND CLAIMS

The Company is the subject of lawsuits and claims arising in the ordinary course of business from time to time. The Company reviews any such legal proceedings and claims on an ongoing basis and follows appropriate accounting guidance when making accrual and disclosure decisions. The Company establishes accruals for those contingencies where the incurrence of a loss is probable and can be reasonably estimated, and it discloses the amount accrued and the amount of a reasonably possible loss in excess of the amount accrued if such disclosure is necessary for the Company's financial statements to not be misleading. To estimate whether a loss contingency should be accrued by a charge to income, the Company evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of the loss. The Company does not record liabilities when the likelihood that the liability has been incurred is probable, but the amount cannot be reasonably estimated. Based upon present information, the Company determined that there were no material matters that required an accrual as of December 31, 2020.

On January 6, 2021, a putative, nationwide class action for violations of the Telephone Consumer Protection Act (the "TCPA"), captioned as Stanley, et al. v Terra Tech Corp., et al., Civil Action No. 8:21-cv00022, was filed against Terra Tech and MediFarm LLC (the "Defendants") in the United States District Court for the Central District of California (the "TCPA Action"). In the TCPA Action, Plaintiffs allege that Defendants violated the TCPA by sending text messages to them and other persons without consent. Plaintiffs seek, on behalf of themselves and other purportedly similarly situated-persons, an unspecified amount of actual and statutory damages for each alleged violation, declaratory and injunctive relief, and attorneys' fees and costs.

NOTE 22 – RELATED PARTY TRANSACTIONS

On March 30, 2020, Edible Garden Corp. ("Edible Garden"), a wholly-owned subsidiary of Terra Tech Corp. (the "Company"), entered into and closed an Asset Purchase Agreement (the "Purchase Agreement") with Edible Garden Incorporated (the "Purchaser"), pursuant to which Edible Garden sold and the Purchaser purchased substantially all of the assets of Edible Garden (the "Business"). Michael James, the Company's former Chief Financial Officer, is a principal of the Purchaser. There is no material relationship between the Company or its affiliates and the Purchaser other than as set forth in the previous sentence. The Purchase Agreement contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

On December 30, 2019, the Company entered into a secured promissory note agreement with the Matthew Lee Morgan Trust, which is affiliated with Matthew Morgan, formerly the Chief Executive Officer of OneQor. The note matures on January 30, 2021, and bears interest at a rate of 10% per annum. The note was converted into the Company's common stock at maturity.

During the fiscal year ended December 31, 2019, the Company issued promissory notes totaling $1.80 million to OneQor Technologies, Inc ("OneQor"). Derek Peterson and Mike Nahass, formerly the Chief Executive Officer and Chief Operating Officer, respectively, had minority ownership interests in OneQor. At the end of the fiscal year, management made the decision to fully-reserve for these loans due to their confidence in the completion of the merger with OneQor, which would result in the cancellation of these loans.

All related party transactions are monitored quarterly by the Company and approved by the Audit Committee of the Board of Directors.

NOTE 23 – SUBSEQUENT EVENTS

On January 7, 2021, 620 Dyer LLC ("620 Dyer"), a subsidiary of the Company, entered into Amendment No. 1 (the "Loan Agreement Amendment") to the Loan Agreement between 620 Dyer and Elizon DB Transfer Agent LLC ("Elizon"), dated as of January 18, 2018 (the "Loan Agreement"). The Loan Agreement Amendment, among other things, amends the maturity date of the Loan Agreement from January 18, 2021 to January 18, 2022. In connection with the extension, 620 Dyer is required to pay Elizon an extension fee equal to 1% of the outstanding principal balance of the Loan Agreement by the earlier of (1) the maturity date of the Loan Agreement, (2) July 18, 2021 or (3) the closing of the sale of any real property or securities of Hydrofarm Holdings Group Inc. by the Company or 620 Dyer. There is no material relationship between the Company or its affiliates and Elizon other than in respect of the transactions contemplated by the Loan Agreement Amendment and the Loan Agreement.

On January 8, 2021, the Company entered into an amendment to the Secured Promissory Note issued by Terra Tech Corp. (the "Borrower") to Arthur Chan (the "Lender") on January 10, 2020. The Loan Agreement Amendment, among other things, amends the maturity date of the Loan Agreement from January 10, 2021 to July 10, 2021.

On January 11, 2021, Terra Tech Corp. (the "Company") entered into Amendment No. 2 (the "Note Amendment") to the 7.5% Senior Convertible Promissory Note issued by the Company on June 11, 2019 (the "Note") with the accredited investor which holds the Note (the "Lender"). The Note Amendment, among other things, amends the maturity date of the Note from January 11, 2021 to January 26, 2021. Except as modified by the Note Amendment, the terms of the Note are unchanged. There is no material relationship between the Company or its affiliates and the Lender other than in respect of the transactions contemplated by the Note Amendment and the Note.

On January 11, 2021 the Company entered into a Separation Agreement (the "Separation Agreement") with Alan Gladstone, formerly a director of the Company. Pursuant to the Separation Agreement, among other things, the Company issued to Mr. Gladstone 500,000 freely-trading shares of the Company's common stock (the "Common Stock"), and all vested options to acquire Common Stock held by Mr. Gladstone remain exercisable pursuant to their terms. Mr. Gladstone also agreed not to sell, dispose of or transfer more than 500,000 shares of Common Stock in any calendar month. In addition, the Independent Director Agreement between the Company and Mr. Gladstone, dated as of July 1, 2019, was terminated. The Separation Agreement also contains mutual releases and other customary terms and conditions as more fully set forth therein. There is no material relationship between the Company or its affiliates and Mr. Gladstone other than in respect of the transactions contemplated by the Separation Agreement.

On January 22, 2021, the Company entered into a Securities Purchase Agreement (the "*Securities Purchase Agreement*") with certain accredited investors (the "*Purchasers*"), pursuant to which the Company agreed to sell to the Purchasers $3,500,000 in aggregate principal amount of the Company's senior convertible promissory notes (the "*Notes*") and warrants to purchase shares of the Company's common stock (the "*Warrants*"), exercisable at any time before the close of business on June 25, 2026. The Warrants are comprised of 15,000,000 "A Warrants" with an exercise price of $0.01 per share and 15,000,000 "B Warrants" with an exercise price of $0.2284 per share. The closing of the purchase and sale of the Notes and Warrants is expected to occur on or about January 25, 2021.

On January 25, 2021, Terra Tech Corp. (the "*Company*") entered into Amendment No. 3 (the "*June 2019 Note Amendment*") to the 7.5% Senior Convertible Promissory Note issued by the Company on June 11, 2019 (the "*June 2019 Note*") and Amendment No. 1 (the "*October 2019 Note Amendment*"; together with the June 2019 Note Amendment, the "*Note Amendments*") to the 7.5% Senior Convertible Promissory Note issued by the Company on October 21, 2019 (the "*October 2019 Note*"; together with the June 2019 Note, the "*Old Notes*") with the accredited investor that holds the Old Notes (the "*Lender*"). The Note Amendments, among other things, (1) extends the maturity date of the June 2019 Note from January 26, 2021 to December 31, 2021 and (2) extends the maturity date of the October 2019 Note from April 21, 2021 to December 31, 2021. Except as modified by the Note Amendments, the terms of the Old Notes are unchanged. There is no material relationship between the Company or its affiliates and the Lender other than in respect of the transactions contemplated by the Note Amendments and the Old Notes. In connection with the Note Amendments, the Company issued to the Lender warrants to purchase 5,000,000 shares of the Company's common stock (the "*Old Note Warrants*") at an exercise price of $0.01 per share. The Old Note Warrants will be exercisable at any time before the close of business on June 25, 2026. The Old Note Warrants will contain cashless exercise provisions and, to the extent not previously exercised, will be automatically exercised via cashless exercise on June 25, 2026.

On February 1, 2021, Terra Tech Corp. (the "Company") entered into an Amended and Restated Independent Director Agreement with Nicholas Kovacevich, the Chairman of the Company's Board of Directors (the "Kovacevich Agreement"). Pursuant to the Kovacevich Agreement, (1) the Company issued to Mr. Kovacevich 500,000 restricted shares of the Company's common stock (the "Common Stock"), which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Kovacevich is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Kovacevich cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Kovacevich Agreement. There is no material relationship between the Company or its affiliates and Mr. Kovacevich, other than in respect of the transactions contemplated by the Kovacevich Agreement.

On February 1, 2021, the Company entered into an Amended and Restated Independent Director Agreement with Ira Ritter, a member of the Company's Board of Directors (the "Ritter Agreement"). Pursuant to the Ritter Agreement, (1) the Company issued to Mr. Ritter an option to purchase 500,000 shares of Common Stock at the closing price of the Common Stock on the date of the Ritter Agreement, which vest in twelve equal installments on the first day of each month beginning on March 1, 2021 (provided Mr. Ritter is a director of the Company on the applicable vesting date) and (2) the Company agreed to pay Mr. Ritter cash compensation of $5,000 per month, payable on the first day of each month beginning March 1, 2021 for the term of the Ritter Agreement. There is no material relationship between the Company or its affiliates and Mr. Ritter, other than in respect of the transactions contemplated by the Ritter Agreement.

On February 3, 2021, the Company filed (1) a Certificate of Withdrawal of Certificate of Designation of the Company's Series A Preferred Stock with the Secretary of State of the State of Nevada, which withdraws the Certificate of Designation establishing the Company's Series A Preferred Stock and eliminates the Company's Series A Preferred Stock from the Company's Articles of Incorporation (the "Series A Certificate"), and (2) a Certificate of Withdrawal of Certificate of Designation of the Company's Series B Preferred Stock with the Secretary of State of the State of Nevada, which withdraws the Certificate of Designation establishing the Company's Series B Preferred Stock and eliminates the Company's Series B Preferred Stock from the Company's Articles of Incorporation (the "Series B Certificate").

On March 2, 2021, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with UMBRLA, Inc., a Nevada corporation ("UMBRLA"), a diversified cannabis company with distribution, manufacturing and dispensary operations, Phoenix Merger Sub Corp., a Nevada corporation and wholly owned subsidiary of the Company ("Merger Sub"), and Dallas Imbimbo, as the stockholder representative for the UMBRLA stockholders. Upon the terms and subject to the satisfaction of the conditions described in the Merger Agreement, Merger Sub will be merged with and into UMBRLA (the "Merger"), with UMBRLA surviving the Merger as a wholly owned subsidiary of the Company. The Merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes. There is ownership in UMBRLA stock by members of the Company's Board of Directors as well as certain Terra Tech Corp Note Holders who also hold UMBRLA stock and warrants. As such, the Merger may be considered a related party transaction.

Subsequent to December 31, 2020, Senior Convertible Promissory Notes and accrued interest in the amount of $3.53 million and $0.07 million, respectively, were converted into 18,963,203 shares of common stock.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TERRA TECH CORP.

Date: March 30, 2021

By: */s/ Francis Knuettel II*
Francis Knuettel II
Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Francis Knuettel II and Jeffrey Batliner, and each of them, as his true and lawful attorney-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Annual Report on Form 10-K of Terra Tech Corp. for the fiscal year ended December 31, 2020, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, grant unto said attorney-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the foregoing, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agents, or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Power of Attorney has been signed by the following persons in the capacities and on the dates stated.

Date: March 30, 2021

By: */s/ Nicholas Kovacevich*
Nicholas Kovacevich
Chairman of the Board

Date: March 30, 2021

By: */s/ Francis Knuettel II*
Francis Knuettel II
Chief Executive Officer and Director
(Principal Executive Officer)

Date: March 30, 2021

By: */s/ Steven J. Ross*
Steven J. Ross
Director

Date: March 30, 2021

By: */s/ Ira Ritter*
Ira Ritter
Director

Date: March 30, 2021

By: */s/ Jeffrey Batliner*
Jeffrey Batliner
Chief Financial Officer

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

TERRA TECH CORP.

Warrant Shares: 4,945,055

Initial Exercise Date: January 25, 2021

Issue Date: January 25, 2021

THIS COMMON STOCK PURCHASE WARRANT (the "**Warrant**") certifies that, for value received, Derek Peterson or his assigns (the "**Holder**") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "**Initial Exercise Date**") and on or prior to 5:00 p.m. (Pacific Time) on June 25, 2026 (the "**Termination Date**"), but not thereafter, to subscribe for and purchase from Terra Tech Corp., a Nevada corporation (the "**Company**"), up to 4,945,055 shares of common stock, par value $0.001 per share (the "**Common Stock**") (as subject to adjustment hereunder, the "**Warrant Shares**"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. [Reserved].

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed facsimile copy (or .pdf copy via e-mail attachment) of the Notice of Exercise in the form annexed hereto as **Exhibit A** (the "**Notice of Exercise**"). Within the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the unpaid portion of the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the later of (y) the day on which the Notice of Exercise is delivered to the Company by the Holder as provided herein and (z) the day on which the Holder delivers the unpaid portion of the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise as provided herein (unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise). No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of Common Stock under this Warrant shall be $0.01, subject to adjustment hereunder (the "**Exercise Price**").

c) Cashless Exercise. If a registration statement providing for the resale by the Holder of the Warrant Shares has not been declared effective by the date set forth in that certain Registration Rights Agreement between the Company and the Holder dated as of the date hereof, there is not otherwise an effective registration statement registering the Warrant Shares, or the Company has failed to keep any such registration statement effective or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then the Holder may, in its sole discretion, exercise this Warrant, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares determined according to the following formula (a "**Cashless Exercise**"):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

(A) = the total number of shares with respect to which the Warrants are then being exercised.

(B) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b)(64) of Regulation NMS promulgated under the federal securities laws) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two (2) hours thereafter (including until two (2) hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day; and

(C) = the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

"**Bid Price**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of the Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

Notwithstanding anything herein to the contrary, on the Termination Date, this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("**DWAC**") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144 (assuming cashless exercise of the Warrants), and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earlier of (i) two (2) Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period after the later of (y) the day on which the Notice of Exercise is delivered to the Company by the Holder as provided herein and (z) the day on which the Holder delivers the unpaid portion of the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise as provided herein (unless the cashless exercise procedure specified in Section 2(c) above is specified in the applicable Notice of Exercise) (such date, the "**Warrant Share Delivery Date**"). The Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, on the later of (y) the day on which the Notice of Exercise is delivered to the Company by the Holder as provided herein and (z) the day on which the Holder delivers the unpaid portion of the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise as provided herein (unless the cashless exercise procedure specified in Section 2(c) above is specified in the applicable Notice of Exercise). If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per Trading Day (increasing to $20 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, " **Standard Settlement Period**" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "**Buy-In**"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto as **Exhibit B** duly executed by the Holder, and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "**Attribution Parties**")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Capital Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written request of a Holder, the Company shall within one (1) Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "**Beneficial Ownership Limitation**" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of the shares of Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall not be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Reserved.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Capital Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Warrant is outstanding (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of shares of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding shares of Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the shares of Common Stock or any compulsory share exchange pursuant to which the shares of Common Stock are effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons, whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each, a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of shares of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "**Successor Entity**") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the shares of Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the shares of Common Stock, (C) the Company shall authorize the granting to all holders of the shares of Common Stock rights or warrants to subscribe for or purchase any capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the shares of Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the shares of Common Stock are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 5 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the shares of Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or stock exchange is expected to become effective or close, and the date as of which it is expected that holders of the shares of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or stock exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice and provided, further that no notice shall be required if the information is disseminated in a press release or document filed with the Securities and Exchange Commission. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the Issue Date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d) Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, comply with state and federal securities laws and other customary transfer provisions.

e) Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate. The applicant for a new Warrant or stock certificate under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued shares of Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the shares of Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the laws of the State of New York.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that the Holder's right to exercise this Warrant terminates on the Termination Date. If the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered to the Holder at his last address of record with the Company.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

TERRA TECH CORP.

By: */s/ Francis Knuettel II*
Name: Francis Knuettel II
Title: Chief Executive Officer

Exhibit A

NOTICE OF EXERCISE

TO: **TERRA TECH CORP.**

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number:

_____

_____

_____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity:

_____

Signature of Authorized Signatory of Investing Entity:

_____

Name of Authorized Signatory:

_____

Title of Authorized Signatory:

_____

Date:

_____

Exhibit B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____ __, _____

Holder's Signature:_____

Holder's Address:_____

EXHIBIT 10.41

LOCK-UP AGREEMENT

The securities subject to the terms of this lock up agreement (the "Agreement") shall comprise the warrants (the "Warrants") issued by Terra Tech Corp. (the "Company") on January 25, 2021, in each case held by the undersigned enumerated on **Schedule A**. The Warrants, the shares of the Company's common stock, par value $0.001 per share ("Common Stock") issuable upon exercise of the Warrants (the "Warrant Shares"), and the 16,485,714 shares of Common Stock issued by the Company to the undersigned on or about the date hereof are hereinafter referred to as the "Securities".

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agrees that during the period beginning on and including January 25, 2021 through and including January 25, 2022 (the "Restriction Period"), the undersigned will not (1) offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell or otherwise dispose of, directly or indirectly, any Securities that the undersigned owns or has a right to acquire as of the date hereof, other than (i) in connection with a private sale to a third party, which third party agrees to abide by the restrictions of this Agreement, (ii) when the closing price of the Common Stock is at or above $0.30 for 10 consecutive Trading Days with minimum volume of at least $250,000 for each such Trading Day; *provided, however*, the terms of this Agreement shall be reinstated and in full effect in the event the Common Stock closes below $0.30 for three consecutive Trading Days, or (iii) or unless the parties mutually elect to terminate this Agreement as provided in the Notes or otherwise agreed to between them. In addition, beginning on January 26, 2022, the undersigned agrees not to pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell or otherwise dispose of, directly or indirectly, on any Trading Day, shares of Common Stock in excess of ten percent (10%) of the average trading volume of the Common Stock during the preceding five (5) Trading Days.

The undersigned further agrees that the Company is authorized to and the Company agrees to place "stop orders" on its books to prevent any sale, transfer or disposition of the Securities held by the undersigned in violation hereof. Any subsequent issuance to and/or acquisition by the undersigned of Securities will be subject to all of the provisions of this Agreement.

The parties agree that other than the Securities, no other instruments, derivatives, options, warrants, or common stock are covered by this Agreement.

The undersigned acknowledges that the execution, delivery and performance of this Agreement is a material inducement to complete the transactions contemplated by the Securities Purchase Agreement (the "Purchase Agreement"), dated the date hereof, between the Company and the signatories thereto, and that the Company shall be entitled to specific performance of the undersigned's obligations hereunder. The undersigned hereby represents that the undersigned has the power and authority to execute, deliver and perform this Agreement, that the undersigned has received adequate consideration therefor and that the undersigned will indirectly benefit from the closing of the transactions contemplated by the Purchase Agreement.

The undersigned understands and agrees that this Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but both of which shall be considered one and the same instrument. This Agreement may be signed and delivered by facsimile, electronically and such facsimile or electronically signed and delivered Agreement shall be enforceable. If one or more provisions of this Agreement are held to be unenforceable under applicable law, portions of such provisions, or such provisions in their entirety, to the extent necessary, shall be severed from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

At any time, and from time to time, after the signing of this Agreement, the undersigned will execute such additional instruments and take such action as may be reasonably requested by the Company to carry out the intent and purposes of this Agreement.

This Agreement will be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law or conflicting provision or rule (whether of the State of New York, or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of New York to be applied. In furtherance of the foregoing, the internal laws of the State of New York will control the interpretation and construction of this Agreement, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

This Agreement has been entered into freely by each of the parties, following consultation with their respective counsel, and shall be interpreted fairly in accordance with its respective terms, without any construction in favor of or against either party.

This Agreement and the documents referred to herein constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and any and all other written or oral agreements existing between the parties hereto are expressly canceled.

[Balance of page intentionally blank; signatures on next page]

Very truly yours,

Derek Peterson

(Name of Security holder - Please Print)

/s/ Derek Peterson

(Signature)

_____

(Name of Signatory if Stockholder is an entity - Please Print)

_____

(Title of Signatory if Stockholder is an entity - Please Print)

Address:

Terra Tech Corp.

/s/ Francis Knuettel II

By: Francis Knuettel II

Its: Chief Executive Officer

[Signature Page to Lockup Agreement]

Schedule A

Parties to the Agreement

Derek Peterson

EXHIBIT 10.42

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "**Agreement**"), dated as of January 25, 2021, by and between **TERRA TECH CORP.**, a Nevada corporation, (the "**Company**"), and the investors listed on Schedule I attached hereto (each an "**Investor**" and collectively, the "**Investors**").

WHEREAS:

A. Upon the terms and subject to the conditions hereof, the Company has agreed to issue to the Investors, and the Investors have agreed to purchase, warrants ("Warrants") to purchase shares of the Company's common stock (the "Common Stock"), as well as shares of Common Stock issuable upon exercise of the Warrants (the "Warrant Shares").

B. The Company has agreed to provide certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "**1933 Act**"), and applicable state securities laws.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investors hereby agree as follows:

1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

a. "**Person**" means any person or entity including any corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

b. "**Register**," "**registered**," and "**registration**" refer to a registration effected by preparing and filing one or more registration statements of the Company in compliance with the 1933 Act and pursuant to Rule 415 under the 1933 Act or any successor rule providing for offering securities on a continuous basis ("**Rule 415**"), and the declaration or ordering of effectiveness of such registration statement(s) by the U.S. Securities and Exchange Commission (the "**SEC**").

c. "**Registrable Securities**" means, as of any date of determination, (a) all of the Warrant Shares then issued and issuable upon exercise in full of the Warrants (assuming on such date the Warrants are exercised in full without regard to any exercise limitations therein), (b) any additional shares of Common Stock issued and issuable in connection with any anti-dilution provisions in the Warrants (without giving effect to any limitations on exercise set forth in the Warrants), (c) any securities issued or then issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing, and (d) the 16,485,714 shares of Common Stock issued by the Company to the undersigned on or about the date hereof.

d. "**Registration Statement**" means a registration statement of the Company filed pursuant to this Agreement, covering the sale of the Registrable Securities.

2. REGISTRATION.

a. Registration. Subject to the provisions hereof, and by no later than May 31, 2021 (the "**Filing Date**"), the Company shall file a registration statement for resale under the 1933 Act of all or part of the Registrable Securities. The Company shall use its commercially reasonable best efforts to have the Registration Statement or any amendment declared effective by the SEC as soon as reasonably practicable and, in all events, within 60 days of filing with the Commission. The Company shall use commercially reasonable best efforts to keep the Registration Statement effective pursuant to Rule 415 promulgated under the 1933 Act and available for sales of all of the Registrable Securities at all times until the earlier of (i) the date as of which each Investor may sell all of its Registrable Securities may be sold without volume or manner-of-sale restrictions pursuant to Rule 144 promulgated under the 1933 Act (or successor thereto) and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Transfer Agent (as defined below) and the affected Investor, and (ii) the date on which the Investors shall have sold all the Registrable Securities (the "**Registration Period**"). The Company shall request effectiveness of a Registration Statement as of 5:00 p.m. Eastern Time on a Trading Day. The Company shall notify the Investor via facsimile or by e-mail of the effectiveness of a Registration Statement within three (3) Trading Days after the Company telephonically confirms effectiveness with the Commission, which shall be the date requested for effectiveness of such Registration Statement. The Company shall, within two business days after the effective date of such Registration Statement, file a final Prospectus with the Commission as required by Rule 424. Except with respect to the information furnished in writing to the Company by the Investors expressly for use in connection with the preparation of the Registration Statement and any amendments or supplements thereto or prospectus contained therein (as to which the Company makes no representation or warranty), the Registration Statement (including any amendments or supplements thereto and prospectuses contained therein) shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Not less than three (3) Trading Days prior to the filing of each Registration Statement and not less than one (1) Trading Day prior to the filing of any related Prospectus or any amendment or supplement thereto (including any document that would be incorporated or deemed to be incorporated therein by reference), the Company shall (i) furnish to the Investor copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the review of the Investors, and (ii) cause its officers and directors, counsel and independent registered public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of respective counsel to the Investor, to conduct a reasonable investigation within the meaning of the Securities Act.

b. Rule 424 Prospectus. The Company shall, to the extent required by applicable securities regulations, from time to time file with the SEC, pursuant to Rule 424 promulgated under the 1933 Act, a prospectus and prospectus supplements, if any, to be used in connection with sales of the Registrable Securities under the Registration Statement.

c. Provided that no event of default exists under Warrants, if: (i) the initial Registration Statement is not filed on or prior to the Filing Date, or (ii) the Company fails to file with the Commission a request for acceleration of a Registration Statement in accordance with Rule 461 promulgated by the Commission pursuant to the Securities Act, within five (5) Trading Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that such Registration Statement will not be "reviewed" or will not be subject to further review, or (iii) prior to the effective date of a Registration Statement, the Company fails to file a pre-effective amendment and otherwise respond in writing to comments made by the Commission in respect of such Registration Statement within ten (10) business days after the receipt of comments by or notice from the Commission that such amendment is required in order for such Registration Statement to be declared effective, or (iv) the initial Registration Statement registering for resale all of the Registrable Securities is not declared effective by the Commission within 60 days after filing with the Commission, or (v) after the effective date of a Registration Statement, such Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities included in such Registration Statement, or the Investors are otherwise not permitted to utilize the Prospectus therein to resell such Registrable Securities, for more than ten (10) consecutive calendar days or more than an aggregate of thirty (30) business days, solely as a result of the Company's failure to materially comply with the rules and regulations of the SEC (any such failure or breach being referred to as an "**Event**", and for purposes of clause (i) thirty (30) calendar days after the date on which such Event occurs, and for purpose of clause (ii), the date on which such five (5) Trading Day period is exceeded, and for purpose of clause (iii) the date which such ten (10) business day period is exceeded, and for purpose of clause (iv), the date that is 61 days after the date on which the initial Registration Statement registering for resale all of the Registrable Securities is filed with the Commission if such Registration Statement is not declared effective by the Commission as of such date, and for the purpose of clause (v), the date on which such ten (10) consecutive calendar days or thirty (30) business day period, as applicable, is exceeded being referred to as "**Event Date**"), then, in addition to any other rights the Investors may have hereunder or under applicable law, on each such Event Date and every thirty (30) calendar days thereafter (if the applicable Event shall not have been cured by such date) or any pro rata portion thereof, until the applicable Event is cured or one hundred twenty (120) calendar days after the applicable Event Date, whichever occurs first, the Company shall pay to each Investor an amount in cash, as partial liquidated damages and not as a penalty, equal to the product of one percent (1.0%) multiplied by the amount paid by such Investor for the Warrants; **provided,** that the maximum amount payable pursuant to this Section 2(c) shall not exceed 4% of such amount paid by such Investor. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven (7) days after the date payable, the Company will pay interest thereon at a rate of twelve percent (12%) per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Investor, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full.

d. Notwithstanding anything to the contrary contained herein, and except as set forth in this subsection (d), in no event shall the Company be permitted to name any Investor or Affiliate of an Investor as an underwriter without the prior written consent of such Investor, unless the Company believes that it is necessary or proper to make such disclosure in order to comply with the terms of applicable laws, rules, regulations, or authoritative guidance, or pursuant to the request or order of a governmental authority, including but not limited to the SEC, or a court with competent jurisdiction.

3. RELATED OBLIGATIONS.

With respect to the Registration Statement and whenever any Registrable Securities are to be registered pursuant to Sections 2(a) and (c), including on any New Registration Statement, the Company shall use its commercially reasonable best efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof and, pursuant thereto, the Company shall have the following obligations:

a. The Company shall prepare and file with the SEC such amendments (including post-effective amendments) and supplements to any Registration Statement and the prospectus used in connection with such Registration Statement, as may be necessary to keep the Registration Statement or any New Registration Statement effective at all times during the Registration Period, and, during such period, comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities of the Company covered by the Registration Statement or any New Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement. Should the Company file a post-effective amendment to the Registration Statement or a New Registration Statement, the Company will use its reasonable best efforts to have such filing declared effective by the SEC within fifteen (15) consecutive Business Days following the date of filing, which such period shall be extended for an additional fifteen (15) Business Days if the Company receives a comment letter from the SEC in connection therewith..

b. In addition to the Company's obligations set forth above and without duplication, the Company shall submit to the Investors for review and comment any disclosure in the Registration Statement, any New Registration Statement and all amendments and supplements thereto (other than prospectus supplements that consist only of a copy of a filed Form 10-K, Form 10-Q or a Current Report on Form 8-K or any amendment as a result of the Company's filing of a document that is incorporated by reference into the Registration Statement or New Registration Statement) containing information provided by such Investor for inclusion in such document and any descriptions or disclosure regarding such Investor, including the transaction contemplated by this Agreement, at least three (3) Trading Days prior to their filing with the SEC, and not file any document in a form to which the Investor reasonably and promptly objects. The Company shall provide to such Investor all disclosure in the Registration Statement or any New Registration Statement and all amendments and supplements thereto (other than prospectus supplements that consist only of a copy of a filed Form 10-K, Form 10-Q or Current Report on Form 8-K or any amendment as a result of the Company's filing of a document that is incorporated by reference into the Registration Statement or New Registration Statement) within reasonable period of time for review and comment, and not file any document in a form to which an Investor reasonably and promptly objects. The Company, promptly upon receipt, shall furnish to the Investors, without charge, any correspondence from the SEC or the staff of the SEC to the Company or its representatives relating to the Registration Statement or any New Registration Statement.

c. The Company shall furnish to such Investor, (i) promptly after the same is prepared and filed with the SEC, at least one electronic or PDF copy of the Registration Statement and any amendment(s) thereto, including all financial statements and schedules, all documents incorporated therein by reference and all exhibits, (ii) upon the effectiveness of a Registration Statement, an electronic or PDF copy of the prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as such Investor may reasonably request), and (iii) such other documents, including electronic or PDF copies of any preliminary or final prospectus, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

d. The Company shall use reasonable best efforts to (i) register and qualify, unless an exemption from registration and qualification is available, the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of such jurisdictions in the United States as an Investor reasonably requests, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify the Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

e. As promptly as reasonably practicable after becoming aware of such event or facts, the Company shall notify each Investor in writing if the Company has determined that the prospectus included in any Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and as promptly as reasonably practical (taking into account the Company's good faith assessment of any adverse consequences to the Company and its stockholders of premature disclosure of such event or facts) prepare a prospectus supplement or amendment to such Registration Statement to correct such untrue statement or omission, and, upon an Investor's request, deliver a copy of such prospectus supplement or amendment to such Investor. In providing this notice to Investor, the Company shall not include any other information about the facts underlying the Company's determination and shall not in any way communicate any material nonpublic information about the Company or the Common Stock to such Investor. The Company shall also promptly notify the Investors in writing (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to the Investors by facsimile or e-mail on the same day of such effectiveness), (ii) of any request by the SEC for amendments or supplements to any Registration Statement or related prospectus or related information, and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate. I

f. The Company shall use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of any Registration Statement, or the suspension of the qualification of any Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest practical time and to notify the Investors of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

g. The Company shall (i) cause all the Registrable Securities to be listed on each securities exchange on which securities of the same class or series issued by the Company are then listed, if any, if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (ii) secure designation and quotation of all the Registrable Securities if the Company's principal trading market is an automated quotation system. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section.

h. The Company shall cooperate with the Investors to facilitate the timely preparation and delivery of certificates or book-entry forms (not bearing any restrictive legend) representing the Registrable Securities to be offered pursuant to any Registration Statement and enable such certificates or book-entry forms to be in such denominations or amounts as Investors may reasonably request and registered in such names as such Investors may request.

i. The Company shall at all times provide a transfer agent and registrar with respect to its Common Stock (the "**Transfer Agent**").

j. If reasonably requested by an Investor, the Company shall (i) as promptly as reasonably practicable, incorporate in a prospectus supplement or post-effective amendment to the Registration Statement such information as such Investor believes should be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities; (ii) make all required filings of such prospectus supplement or post-effective amendment as promptly as practicable once notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement (including by means of any document incorporated therein by reference).

k. The Company shall use its reasonable best efforts to cause the Registrable Securities covered by any Registration Statement to be registered with or approved by such other governmental agencies or authorities in the United States as may be necessary to consummate the disposition of such Registrable Securities.

l. Within two (2) Business Days after any Registration Statement is ordered effective by the SEC, the Company shall deliver to the Transfer Agent for such Registrable Securities (with copies to the Investors) confirmation that such Registration Statement has been declared effective by the SEC in the form attached hereto as Exhibit A. Thereafter, if reasonably requested by the Investors at any time, the Company shall deliver to the Investors a written confirmation of whether or not the effectiveness of such Registration Statement has lapsed at any time for any reason (including, without limitation, the issuance of a stop order) and whether or not the Registration Statement is currently effective and available to the Investors for sale of all of the Registrable Securities.

m. The Company agrees to take all other reasonable actions as necessary and reasonably requested by an Investor to expedite and facilitate disposition by such Investor of Registrable Securities pursuant to any Registration Statement.

4. OBLIGATIONS OF THE INVESTORS.

a. Each Investor agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any amendments and supplements to any Registration Statement hereunder as specifically provided herein.

b. Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event or existence of facts of the kind described in Section 3(f) or any notice of the kind described in the first sentence of Section 3(e), such Investor will promptly discontinue disposition of Registrable Securities pursuant to any registration statement(s) covering such Registrable Securities until such Investor's receipt (which may be accomplished through electronic delivery) of the copies of the filed supplemented or amended registration statement and/or prospectus contemplated by Section 3(f) or the first sentence of Section 3(e). In addition, upon receipt of any notice from the Company of the kind described in the first sentence of Section 3(e), each Investor will promptly discontinue purchases or sales of any securities of the Company unless such purchases or sales are in compliance with applicable U.S. securities laws. Notwithstanding anything to the contrary, the Company shall cause its Transfer Agent to deliver as promptly as practicable shares of Common Stock without any restrictive legend in connection with any sale of Registrable Securities with respect to which such Investor has received a purchase notice prior to such Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(f) or the first sentence of Section 3(e) and for which such Investor has not yet settled.

5. EXPENSES OF REGISTRATION.

All fees and expenses incident to the performance of or compliance with, this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses of the Company's counsel and independent registered public accountants) (A) with respect to filings made with the Commission, (B) with respect to filings required to be made with any Trading Market on which the Common Stock is then listed for trading, (C) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities) and (D) if not previously paid by the Company in connection with an Issuer Filing, with respect to any filing that may be required to be made by any broker through which an Investor intends to make sales of Registrable Securities with FINRA pursuant to FINRA Rule 5110, so long as the broker is receiving no more than a customary brokerage commission in connection with such sale, (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Investor, except to the extent provided for in the Transaction Documents. The Company shall reimburse the reasonable attorneys' fees of one counsel for the Investors, in an amount not to exceed $10,000.

6. INDEMNIFICATION.

a. The Company shall, notwithstanding any termination of this Agreement, in addition to and not in substitution for, any other indemnification provision by the Company, indemnify and hold harmless each Investor, the officers, directors, managers, managing members, members, partners, advisors, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), staff members (whether or not classified as employees or independent contractors), investment advisors and (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each of them, each Person who controls any such Investor (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, managers, managing members, members, stockholders, staff members (whether or not classified as employees or independent contractors), partners, advisors, agents (and any other Persons with a functionally equivalent role of a Person holding such titles, notwithstanding a lack of such title or any other title) of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "**Losses**"), as incurred, arising out of or relating to (1) any untrue or alleged untrue statement of a material fact contained in a Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or (2) any violation or alleged violation by the Company of the Securities Act, the Exchange Act or any state securities law, or any rule or regulation thereunder, in connection with the performance of its obligations under this Agreement, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Investor furnished in writing to the Company by such Investor expressly for use therein, or to the extent that such information relates to such Investor or such Investor's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Investor expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto or (ii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), the use by such Investor of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Investor in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Investor and prior to the receipt by such Investor of the advice contemplated in Section 4(b), but only if and to the extent that following the receipt of the advice the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify the Investors promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified person and shall survive the transfer of any Registrable Securities by any of the Investors.

b. Each Investor shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, to the extent arising out of or based solely upon: (x) such Investor's failure to comply with any applicable prospectus delivery requirements of the Securities Act through no fault of the Company or (y) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading (i) to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Investor to the Company expressly for inclusion in such Registration Statement or such Prospectus, (ii) to the extent, but only to the extent, that such information relates to such Investor's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Investor expressly for use in a Registration Statement, such Prospectus or in any amendment or supplement thereto or (iii) in the case of an occurrence of an event of the type specified in Section 3(d)(iii)-(vi), to the extent, but only to the extent, related to the use by such Investor of an outdated, defective or otherwise unavailable Prospectus after the Company has notified such Investor in writing that the Prospectus is outdated, defective or otherwise unavailable for use by such Investor and prior to the receipt by such Investor of the advice contemplated in Section 4(b), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any selling Investor under this Section 6(b) be greater in amount than the dollar amount of the net proceeds received by such Investor upon the sale of the Registrable Securities giving rise to such indemnification obligation.

c. Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be, and upon such notice, the indemnifying party shall not be liable to the Indemnified Person or Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Person or Indemnified Party in connection with the defense thereof; provided, however, that an Indemnified Person or Indemnified Party (together with all other Indemnified Persons and Indemnified Parties that may be represented without conflict by one counsel) shall have the right to retain its own counsel with the fees and expenses to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. The Indemnified Party or Indemnified Person shall cooperate with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the consent of the Indemnified Party or Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

d. The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred. Any person receiving a payment pursuant to this Section 6 which person is later determined to not be entitled to such payment shall return such payment (including reimbursement of expenses) to the person making it.

e. The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. CONTRIBUTION.

a.If the indemnification under Section 6(a) or 6(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in this Agreement, any reasonable attorneys' or other fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

b.The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 7, no Investor shall be required to contribute pursuant to this Section 7, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Investor from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Investor has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

c.The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

8. REPORTS AND DISCLOSURE UNDER THE SECURITIES ACTS.

With a view to making available to the Investors the benefits of Rule 144 promulgated under the 1933 Act or any other similar rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration ("**Rule 144**"), the Company agrees, at the Company's sole expense, to:

a. use its reasonable best efforts to make and keep public information available, as those terms are understood and defined in Rule 144;

b. use its reasonable best efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the 1933 Act and the 1934 Act so long as the Company remains subject to such requirements and the filing of such reports and other documents is required to satisfy the current public information requirements of Rule 144;

c. furnish to the Investors so long as the Investors owns Registrable Securities, as promptly as practicable at the Investor's request, (i) a written statement by the Company that it has complied in all material respects with the requirements of Rule 144(c)(1)(i) and (ii), and (ii) such other information, if any, as may be reasonably requested to permit the Investors to sell such securities pursuant to Rule 144 without registration; and

d. take such additional action as is reasonably requested by the Investors to enable the Investors to sell the Registrable Securities pursuant to Rule 144, including, without limitation, delivering all such legal opinions, consents, certificates, resolutions and instructions to the Company's Transfer Agent as may be reasonably requested from time to time by the Investors and otherwise provide reasonable cooperation to the Investors and the Investors' broker to effect such sale of securities pursuant to Rule 144.

The Company agrees that damages may be an inadequate remedy for any breach of the terms and provisions of this Section 8 and that the Investor shall, whether or not it is pursuing any remedies at law, be entitled to seek equitable relief in the form of a preliminary or permanent injunctions, without having to post any bond or other security, upon any breach or threatened breach of any such terms or provisions.

9. ASSIGNMENT OF REGISTRATION RIGHTS.

The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Investors. Investor may assign its rights under this Agreement in connection with an assignment of the Warrants.

10. AMENDMENT OF REGISTRATION RIGHTS.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Investors holding a majority of the outstanding Registrable Securities.

11. MISCELLANEOUS.

a. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); (iii) upon receipt, when sent by electronic message (provided the recipient responds to the message and confirmation of both electronic messages are kept on file by the sending party); or (iv) one (1) Business Day after timely deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Terra Tech Corp.
2040 Main Street, Suite 225
Irvine, CA 92614
Telephone:646.258.7567
Attention:
Email:

With a copy (which shall not constitute notice) to:

Thompson Hine LLP
335 Madison Avenue
12th Floor
New York, New York 10017-4611
Telephone: 212-908-3905
Attention: Faith L. Charles
Email: Faith.Charles@ThompsonHine.com

If to Investor: the address set forth on such Investor's signature page.

or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party at least one (1) Business Day prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) mechanically or electronically generated by the sender's facsimile machine containing the time, date, and recipient facsimile number, (C) electronically generated by the sender's electronic mail containing the time, date and recipient email address or (D) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of receipt in accordance with clause (i), (ii), (iii) or (iv) above, respectively. Any party to this Agreement may give any notice or other communication hereunder using any other means (including messenger service, ordinary mail or electronic mail), but no such notice or other communication shall be deemed to have been duly given unless it actually is received by the party for whom it is intended.

b. No failure or delay in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

c. The corporate laws of the State of New York shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.**

d. This Agreement, the Warrants, and the other transaction documents (collectively, the "**Transaction Documents**") constitute the entire understanding among the parties hereto with respect to the subject matter hereof and thereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein and therein. This Agreement and the other Transaction Documents supersede all other prior oral or written agreements between the Investors, the Company, their affiliates and persons acting on their behalf with respect to the subject matter hereof and thereof.

e. Subject to the requirements of Section 9, this Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

f. The headings in this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

g. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile or pdf (or other electronic reproduction of a) signature shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or pdf (or other electronic reproduction of a) signature.

h. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

i. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

j. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and, except with respect to the Indemnification and Contribution provisions, is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

k. The obligations of each Investor hereunder are several and not joint with the obligations of any other Investor hereunder, and no Investor shall be responsible in any way for the performance of the obligations of any other Investor hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Investor pursuant hereto or thereto, shall be deemed to constitute the Investors as a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Investors are in any way acting in concert or as a group or entity with respect to such obligations or the transactions contemplated by this Agreement or any other matters, and the Company acknowledges that the Investors are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or transactions. Each Investor shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Investor to be joined as an additional party in any proceeding for such purpose. The use of a single agreement with respect to the obligations of the Company contained was solely in the control of the Company, not the action or decision of any Investor, and was done solely for the convenience of the Company and not because it was required or requested to do so by any Investor. It is expressly understood and agreed that each provision contained in this Agreement is between the Company and a Investor, solely, and not between the Company and the Investors collectively and not between and among Investors.

l. If, at any time during the Effectiveness Period, there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, then the Company shall deliver to the Investor a written notice of such determination and, if within fifteen (15) days after the date of the delivery of such notice, any such Investor shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Investor requests to be registered; **provided, however**, that the Company shall not be required to register any Registrable Securities pursuant to this Section 10(l) that are eligible for resale pursuant to Rule 144 (without volume restrictions or current public information requirements) promulgated by the Commission pursuant to the Securities Act or that are the subject of a then effective Registration Statement.

m. In the event of a breach by the Company or by a Investor of any of their respective obligations under this Agreement, each Investor or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Each of the Company and each Investor agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of day and year first above written.

THE COMPANY:

TERRA TECH CORP.

By: */s/ Francis Knuettel II*
Name: Francis Knuettel II
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of day and year first above written.

INVESTOR:

NAME
BY: Derek Peterson

/s/ Derek Peterson
Name: Derek Peterson

Address:

Telephone:
Facsimile:
Attention:
Email:

With a copy to:

SCHEDULE 1

INVESTORS

Derek Peterson

EXHIBIT A

FORM OF NOTICE OF EFFECTIVENESS OF REGISTRATION STATEMENT

[Date]

West Coast Stock Transfer, Inc.
721 N. Vulcan Ave. 1st FL
Encinitas, CA 92024
Attention: Frank Brickell

RE: TERRA TECH CORP.

Ladies and Gentlemen:

We refer to that certain Registration Rights Agreement, dated as of , 2021 (the **"Agreement"**), entered into by and between **TERRA TECH CORP.**, a Nevada corporation (the **"Company"**) and the investors named therein (the "**Investors**") pursuant to which the Company has agreed to issue to the Investors shares of the Company's Common Stock, par value $0.001 per share (the **"Common Stock"**), in an amount up to $, in accordance with the terms of the Agreement. In connection with the transactions contemplated by the Agreement, the Company has registered with the U.S. Securities and Exchange Commission (the "**SEC**") the sale by the Investors of the following shares of Common Stock:

(1) up to shares of Common Stock (the **"Purchase Shares"**).

In connection with the transactions contemplated by the Agreement, the Company has filed a registration statement on Form S-1 (File No. 333-) (the **"Registration Statement"**) with the SEC relating to the sale by the Investors of the Securities. Accordingly, we advise you that (i) the SEC has entered an order declaring the Registration Statement effective under the Securities Act of 1933 Act (the "1933 Act") at : [A./P.]M. on , 2021, (ii) we have no knowledge, after review of the stop order notification website maintained by the SEC, that any stop order suspending its effectiveness has been issued or that any proceedings for that purpose are pending before, or threatened by, the SEC and (iii) the Purchase Shares and the Commitment Shares are available for sale under the 1933 Act pursuant to the Registration Statement. Accordingly, and in reliance on certain covenants made by the Investors regarding the manner of sale of the Shares, certificates or book-entry forms representing the Shares may be issued without any restrictive legend.

Very truly yours,

By: _____
Thompson Hine LLP

CC: [ ]

EXHIBIT 10.45

RESTRICTED STOCK AWARD AGREEMENT

THIS AGREEMENT, made as of February 1, 2021 (the "Date of Grant"), between Terra Tech Corp., a Nevada corporation (the "Company"), and Nicholas Kovacevich (the "Grantee").

WHEREAS, the Company has adopted the Terra Tech Amended and Restated 2018 Equity Incentive Plan (the "Plan") in order to provide additional incentive to certain employees and directors of the Company and its Subsidiaries; and

WHEREAS, the Company has determined to grant to the Grantee a Stock Grant of restricted Shares of Common Stock of the Company (the "Shares") under the Plan as provided herein to encourage the Grantee's efforts toward the continuing success of the Company.

NOW, THEREFORE, the parties hereto agree as follows:

1. Grant of Restricted Stock.

1.1 The Company hereby grants to the Grantee an award of 500,000 Shares (the "Award"). The Shares granted pursuant to the Award shall be issued in the form of book entry Shares in the name of the Grantee as soon as reasonably practicable following the date on which the restrictions on such Shares have lapsed and shall be subject to the execution and return of this Agreement by the Grantee to the Company.

1.2 This Agreement shall be construed in accordance and consistent with, and subject to, the provisions of the Plan (the provisions of which are hereby incorporated by reference) and, except as otherwise expressly set forth herein, the capitalized terms used in this Agreement shall have the same definitions as set forth in the Plan.

2. Restrictions on Transfer.

The Shares issued under this Agreement may not be sold, transferred or otherwise disposed of and may not be pledged or otherwise hypothecated until all restrictions on such Shares shall have lapsed in the manner provided herein.

3. Lapse of Restrictions Generally.

Except as otherwise provided in the Plan, one-twelfth (1/12) of the number of Shares issued hereunder (rounded down to the nearest whole Share, if necessary) shall vest, and the restrictions with respect to such Shares shall lapse, on the first day of each month beginning on March 1, 2021; provided the Grantee is a director of the Company on the applicable vesting date.

4. No Right to Continued Employment.

Nothing in this Agreement or the Plan shall interfere with or limit in any way the right of the Company or its Subsidiaries to terminate the Grantee's service as a Board member , nor confer upon the Grantee any right to continuance of service as a Board member.

5. Withholding of Taxes.

Prior to the delivery to the Grantee (or the Grantee's estate, if applicable) of a stock certificate or evidence of book entry Shares with respect to Shares in respect of which all restrictions have lapsed, the Grantee (or the Grantee's estate) shall pay to the Company the federal, state and local income taxes and other amounts as may be required by law to be withheld by the Company with respect to such Shares.

6. Grantee Bound by the Plan.

The Grantee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof.

7. Modification of Agreement.

This Agreement may be modified, amended, suspended or terminated, and any terms or conditions may be waived, but only by a written instrument executed by the parties hereto.

8. Severability.

Should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force in accordance with their terms.

9. Governing Law.

The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California without giving effect to the conflicts of laws principles thereof.

10. Successors in Interest.

This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

11. Resolution of Disputes.

Any dispute or disagreement which may arise under, or as a result of, or in any way relate to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee, the Grantee's heirs, executors, administrators and successors, and the Company and its Subsidiaries for all purposes.

12. Entire Agreement.

This Agreement and the terms and conditions of the Plan constitute the entire understanding between the Grantee and the Company and its Subsidiaries, and supersede all other agreements, whether written or oral, with respect to the Award.

13. Headings.

The headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

14. Counterparts.

This Agreement may be executed simultaneously in two or more counterparts, each of which shall constitute an original, but all of which taken together shall constitute one and the same agreement.

[signature page follows]

TERRA TECH CORP.

By: /s/
Name: Francis Knuettel II

GRANTEE

/s/ Nicholas Kovacevich
Name: Nicholas Kovacevich

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

- 620 Dyer LLC, a California corporation
- 1815 Carnegie LLC, a California limited liability company
- Black Oak Gallery, a California corporation (dba Blum Oakland)
- Blum San Leandro, a California corporation
- GrowOp Technology Ltd., a Nevada corporation
- IVXX, Inc., a California corporation
- IVXX, LLC, a Nevada limited liability company
- MediFarm, LLC, a Nevada limited liability company
- MediFarm I, LLC, a Nevada limited liability company
- MediFarm II, LLC, a Nevada limited liability company
- MediFarm So Cal, Inc., a California corporation
- 121 North Fourth Street, LLC, a Nevada limited liability company
- OneQor Technologies, Inc., a Delaware corporation

EXHIBIT 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement of Terra Tech Corp. on Form S-3 (File No. 333-227219) and Form S-8 (File Nos. 333-237453, 333-234106, and 333-230081) of our report dated March 30, 2021, with respect to our audits of the consolidated financial statements of Terra Tech Corp. as of December 31, 2020 and 2019 and for the two years ended December 31, 2020 and 2019, which report is included in this Annual Report on Form 10-K of Terra Tech Corp. for the year ended December 31, 2020.

/s/ Marcum LLP

Marcum llp
Costa Mesa, California
March 30, 2021

EXHIBIT 31.1

Certification of Chief Executive Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Francis Knuettel II, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2020 of Terra Tech Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2021

By: */s/ Francis Knuettel II*
Francis Knuettel II
Chief Executive Officer and Director

EXHIBIT 31.2

Certification of Chief Financial Officer
Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934

I, Jeffrey Batliner, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2020 of Terra Tech Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2021

By: */s/ Jeffrey Batliner*
Jeffrey Batliner
Chief Financial Officer

EXHIBIT 32.1

Certifications of Chief Executive Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Executive Officer of Terra Tech Corp. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2021

By: */s/ Francis Knuettel II*
Francis Knuettel II
Chief Executive Officer and Director

The certifications set forth above are being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Terra Tech Corp. and will be retained by Terra Tech Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certifications of Chief Financial Officer
Pursuant to 1350 of Chapter 63 of Title 18 of the United States Code

Pursuant to U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned Chief Financial Officer of Terra Tech Corp. (the "Company") does hereby certify, to the best of such officer's knowledge, that:

1. The Annual Report on Form 10-K of the Company for the year ended December 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2021

By: */s/ Jeffrey Batliner*
Jeffrey Batliner
Chief Financial Officer

The certifications set forth above are being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Terra Tech Corp. and will be retained by Terra Tech Corp. and furnished to the Securities and Exchange Commission or its staff upon request.