



**ZTEST ELECTRONICS INC.
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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**ZTEST SIGNS AGREEMENT TO ACQUIRE FURTHER INTERESTS IN
CONVERSANCE**

NORTH YORK, February 26, 2018 - ZTEST Electronics Inc. (“ZTEST” or the “Company”) (CSE - “ZTE”) is pleased to announce that it has signed an agreement (the “**Further Investment Agreement**”) with Conversance Inc. (“**Conversance**”) pursuant to which the Company can increase its equity ownership interest in Conversance by up to 15.08% to a total equity ownership interest of up to 34.99% by investing a further \$2,000,000 in cash in tranches. ZTEST has a pre-emptive right to maintain its equity interest by participating in further funding of Conversance. Conversance is a Waterloo-based private company focused on developing and marketing proprietary AI supported distributed ledger technologies. Mr. Joseph Chen is the founder and Chief Executive Officer of Conversance.

ZTEST acquired a further 4.86% interest in Conversance to increase its equity interest to 19.91% in January 2018 (see Press Release dated January 10, 2018). Pursuant to the terms of the Further Investment Agreement, ZTEST has an option to acquire up to an additional 10.09% interest in Conversance by making a cash payment of \$500,000 on or before February 28, 2018 and a further cash payment of up to \$500,000 on or before April 20, 2018 (the “**30% Option**”). Once the initial \$500,000 payment is made, ZTEST will have the right to increase its investment in Conversance at the rate of \$6.3492 per Class A Share to a maximum of 157,500 Class A Shares.

ZTEST will use the proceeds from the closing of the first tranche of its private placement (see Press Release dated January 31, 2018) to fund the initial \$500,000 payment for which it will acquire a further 78,750 Class A Shares and earn a further 5.38% interest in Conversance to increase its investment in Conversance to 25.29%. This investment will be made on or before February 28, 2018.

If the 30% Option is exercised, ZTEST will have the further option to acquire up to an additional 4.99% interest in Conversance to increase its interest in Conversance to up to 34.99% by making a further investment of \$1 million on or before June 15, 2018. ZTEST will have the right to increase its investment in Conversance at the rate of \$10.4166 per Class A Share to a maximum of a further 96,000 Class A Shares.



About ZTEST Electronics Inc.

ZTEST Electronics Inc., through its wholly owned subsidiary Permatest Electronics Corp. ("Permatest"), offers Electronic Manufacturing Services (EMS) to a wide range of customers. Permatest's offering includes Materials Management, Printed Circuit Board (PCB) Assembly, Testing and Design services. Permatest operates from a 20,000 square foot, ISO 9001:2008 certified facility in North York, Ontario, Canada. The company serves customers in the Medical, Power, Computer, Telecommunications, Wireless, Industrial and Consumer Electronics markets requiring high quality, quick-turnaround, small and medium size production runs.

About Conversance Inc.

Conversance Inc. ("Conversance"), a Waterloo Ont. based private company founded by Mr. Joseph Chen, is focused on developing and marketing proprietary AI supported distributed ledger technologies. Mr. Chen is an electrical engineer with a strong background in radio frequency, digital signal processing, VLSI, complex systems, chemistry and physics. Mr. Chen joined Research In Motion (now BlackBerry) in 1999, becoming a senior member of the office of the Chief Technology Officer ("CTO"), where he was instrumental in many of BlackBerry's key telephony innovations and patents. While at BlackBerry, the office of the CTO first began looking into blockchain in 2008. Since leaving BlackBerry in 2012, Mr. Chen has focused much of his personal research on the state of the art in machine learning, cryptography and quantum computing, and their implications and applications in digitizing and automating finance, and the protection of personal information and trust in a digital world.

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The CSE has neither approved nor disapproved the contents of this press release. The CSE does not accept responsibility for the adequacy or accuracy of this release.