

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

ZTEST AGREES TO INCREASE EQUITY OWNERSHIP IN CONVERSANCE INC.

NORTH YORK, Sept 14, 2020 - ZTEST Electronics Inc. (“**ZTEST**” or the “**Company**”) (CSE - “**ZTE**”) is pleased to announce that it has entered into an agreement to acquire a further 25,000 Class A Shares of Conversance Inc., (“**Conversance**”) representing a 2.1% interest, and has been granted an option to acquire a further 75,000 Class A Shares of Conversance. Conversance is a Waterloo Ont. based private company in which ZTEST currently owns a 25.29 % equity interest.

The Company will acquire the 25,000 Class A Shares from Joseph Chen, the founder and controlling shareholder of Conversance, in consideration for the issuance of 1,250,000 Convertible First Preferred Shares Series 1 (the “**Preferred Shares**”). The Preferred Shares are automatically convertible into 1,250,000 common shares of ZTEST if on or before June 30, 2021, an arm’s length investor or a group of arm’s length investors acting together purchases from the treasury of Conversance an aggregate of at least 130,139 Class A Shares, being 10% of the issued and outstanding capital of Conversance after giving effect to the purchase of the Class A Shares, at a price of at least \$10.00 per Class A Share (the “**Triggering Event**”). If the Triggering Event has not occurred by June 30, 2021, subject to further agreement of the parties, the agreement will be terminated and the Preferred Shares will be redeemed for \$1.00. The transaction was negotiated at arm’s length and was not based upon a current appraisal or valuation of Conversance. The conversion of the Preferred Shares into common shares of the Company is conditional upon a third-party investment in Conversance and will only occur if the Triggering Event occurs on or before June 30, 2021.

The Company was also granted an option from Conversance to acquire 75,000 Class A Shares of Conversance on or before December 31, 2022 for the payment of \$1 million. The transactions are subject to regulatory approval.

The Company is encouraged by the recent internal testing of Conversance’s proprietary application, Chronicle. Chronicle was tested on a 256-node test network, simulating nodes distributed around the world, achieving 45,000 transactions per second (tps), with a 16.9-second latency, at 250 bytes per transaction. When the network model simulated a local network, Chronicle achieved 251,000 transactions per second (tps) at a 2.2-second latency.

Mr. Chen commented: : "Chronicle was engineered to enable distributed ledger applications with high levels of performance, without giving up network decentralization. Blockchains and distributed ledgers represent a radical departure from the status quo, from a development and business model perspective. The development of Chronicle would not have been possible without the support of an investor like ZTEST willing to look beyond the immediate horizon,

and to help develop relationships in this sphere. We are thrilled to reinforce our relationship with ZTEST as we begin to productize in this space."

Mr. Smith commented: "We are very enthusiastic about this opportunity to increase our equity ownership of Conversance and to further solidify our relationship with Conversance and Mr. Chen. Through our representative on the Conversance Board of Directors, we look forward to working alongside Conversance as they continue developing their proprietary distributed ledger platform utilizing AI technologies with a principle focus to store and share data in an unequivocally trusted platform."

About ZTEST Electronics Inc.

ZTEST Electronics Inc., through its wholly owned subsidiary Permotech Electronics Corp. ("Permotech"), offers Electronic Manufacturing Services (EMS) to a wide range of customers. Permotech's offering includes Materials Management, Printed Circuit Board (PCB) Assembly, Testing and Design services. Permotech operates from a 20,000 square foot, ISO 9001:2015 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, a private company based in Waterloo, Ont., founded by Mr. Chen, is focused on developing and marketing proprietary artificial-intelligence supported distributed ledger technologies. Mr. Chen is an electrical engineer with a strong background in radio frequency, digital signal processing, VLSI (very-large-scale integration), 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, where he was instrumental in many of BlackBerry's key telephony innovations and patents. Mr. Chen's interest in blockchains began in 2009.

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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.

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circumstances. All of the forward-looking statements made in this press release are qualified by these cautionary statements and by those made in our filings with SEDAR in Canada (available at www.sedar.com).