

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

**ZTEST CLOSES AGREEMENT TO INCREASE EQUITY OWNERSHIP IN
CONVERSANCE INC.**

NORTH YORK, October 1, 2020 - ZTEST Electronics Inc. (“ZTEST” or the “Company”) (CSE - “ZTE”) is pleased to announce that, further to the Company’s press release of September 14, 2020, it has closed the transaction to acquire a further 25,000 Class A Shares of Conversance Inc., (“Conversance”) representing a 2.1% interest, 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”). Conversance is a Waterloo Ont. based private company in which ZTEST currently owns a 25.29 % equity interest.

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, the Preferred Shares will be redeemed for \$1.00 and the 25,000 Class A Shares will be transferred back to Mr. Chen. The Preferred Shares are not transferrable, are subject to a statutory hold period expiring on January 31, 2021 and subject to the terms of the agreement between the parties.

The Company also acquired 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 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.

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.

FORWARD LOOKING STATEMENTS: *This press release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Investors are cautioned that these forward-looking statements are neither promises nor guarantees and are subject to risks and uncertainties that may cause future results to differ materially from those expected. These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, the Company does not assume any obligation to update or revise them to reflect new events or 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).*