Gatekeeper Reports $13.7M Revenue and 75% Annual Growth for Record-Breaking F2019

Abbotsford, British Columbia--(Newsfile Corp. - December 30, 2019) - **Gatekeeper Systems Inc. (TSXV: GSI) (OTC Pink: GKPRF) (FSE: 1GK) ('Gatekeeper' or the 'Company')**, a leading provider of video surveillance systems developed to protect people while in transit, reports its financial results for the three months and fiscal year ended August 31, 2019.

Fourth Quarter and Year End Highlights

- Revenue for the year ended August 31, 2019 was $13,726,313, the highest fiscal year revenue in the Company's history and an increase of 75% when compared to $7,850,933 for the year ended August 31, 2018;

- Revenue for the fourth quarter was $4,879,510, the highest fourth quarter revenue in the Company's history and an increase of 84% when compared to $2,656,406 in the same period in the previous year;

- Gross profit during the fourth quarter and year end was $2,076,830 and $6,104,128 respectively, which compares to $1,421,827 and $4,189,070 respectively in the prior year comparable periods and represents the highest fiscal year gross profit in the Company's history;

- Net Income for the fourth quarter was $167,601, which compares to Net Loss of $357,229 in the same period in the previous year, representing an increase in profitability of 147%;

- Net loss for the year ended August 31, 2019 was $285,827 or $ (0.00) per share, which compares to a net loss of $1,323,277 or $ (0.02) per share for the year ended August 21, 2018. Non-cash expenses included in the net loss for the year were $523,347 which includes depreciation, stock-based compensation and an accrued common share bonus;

- As at August 31, 2019 the Company had working capital of $6,150,804, no long-term debt, and approximately 87.6 million shares outstanding;

- Subsequent to the fiscal year ended August 31, 2019, the Company announced two significant contracts: a digital video recorder contract for $6.3 million with delivery scheduled for spring 2020, and an annually recurring service contract for $2.36 million per year commencing November 2019.

Management Commentary

Doug Dyment, President and CEO commented, "Fiscal 2019 was a pivotal year of growth for Gatekeeper and we are extremely pleased to report these record-breaking financial results which affirm our strategic decision in 2018 to expand into the US transit market. We invested in our people and operations to support this strategy, with a mindset of delivering excellence to our valued customers. We are equally enthused about 2020 and we have already announced the largest contracts in the Company's history totalling over $18 Million CDN. These two contracts not only represent significant growth for us in 2020 but also represent recurring revenue for up to five years from one of the largest transit agencies in North America. It is very exciting for Gatekeeper to experience this growth and our employees are motivated to develop and launch new solutions for our customers across our various markets."

Transit Initiative

In April 2018, the Company executed a strategic plan to focus on the U.S. transit industry as a key growth initiative by establishing Gatekeeper Systems USA Inc. ("Gatekeeper USA") and purchasing assets of an existing mobile video surveillance service provider to the transit industry. This strategic initiative enabled a business relationship with the Southeastern Pennsylvania Transportation Authority ("SEPTA"), which is the sixth largest public transportation system in the U.S., has an average weekday ridership of approximately 1.1 million, and is actively using vehicle video surveillance to evaluate and defend claims, monitor system safety and security, and protect against fraud. SEPTA has an installed base of more than 27,000 video cameras on vehicles and in stations.

On October 9, 2019 the Company announced that Gatekeeper USA had been contracted by SEPTA to supply and install digital video recorders on SEPTA vehicles and trains in a contract valued at approximately $6.3 million.

On October 17, 2019 the Company announced that Gatekeeper USA had been contracted by SEPTA to provide annually recurring vehicle video system maintenance services for SEPTA's approximately 3,000 vehicles. This annually recurring contract is valued at approximately $2.36 million per year. SEPTA has approved an initial three-year service term beginning in November 2019 for approximately $7.1 million, plus two one-year extension options, for a total potential contract value of up to $11.8 million over five years.

The Company is also actively pursuing initiatives with other transit authorities in North America.

School Bus Initiative

During the quarter the Company continued sales and deliveries of its recently-launched SP25 School Bus Vision systems, which have 10-megapixel dual-camera systems for multi-lane viewing license plate capture capability, a high-speed license plate tag reader, and cellular network compatibility ready for remote, and auto downloading of stop-arm violations.

During F2019, the Company provided numerous video solutions for school bus safety including installations in **Ontario, Virginia, Illinois, Indiana, California, Oregon, Florida, New York, Delaware.**

Gatekeeper has received increasing interest from school districts regarding the use of video evidence to help protect school children, following the increase in tragic deaths of several school children who have been struck within the past year by vehicles illegally passing school buses in various states. The National Association of State Directors of Pupil Transportation Services estimates that there are more than 15 million school bus stop-arm violations per year in the United States alone. The Company is actively marketing its new SP25 product line and is supportive of the social movements and legislation changes that increase awareness and address the safety concerns for school children.

Financial Summary

	For the years ended	
	August 31, 2019	August 31, 2018
Revenue	$ 13,726,313	$ 7,850,933
Cost of Sales	$ 7,622,815	$ 3,661,863
Gross Profit	$ 6,104,128	$ 4,189,070
Gross Margin Percentage	*44%*	*53%*
Expenses	$ 6,482,996	$ 5,584,266
Operating Income (Loss)	$ (378,868)	$ (1,395,196)
Net Income (Loss) for the year	$ (285,827)	$ (1,323,277)
Earnings (Loss) per share –		
Basic	$ (0.00)	$ (0.02)
Diluted	$ (0.00)	$ (0.02)
Total Assets	$ 9,249,093	$ 7,894,272
Total Liabilities	$ 2,331,195	$ 873,817
Total Shareholders' Equity	$ 6,917,898	$ 7,020,455

Full details of the financial reports and operating results for the fourth quarter and year ended August 31, 2019 are described in the Company's condensed interim consolidated financial statements with accompanying notes and related Management's Discussion and Analysis, available on SEDAR at www.sedar.com.

About Gatekeeper Systems Inc.

Gatekeeper provides wireless high-resolution video security and safety solutions for in-transit applications, including school buses, municipal transit, first response, and the military. The Company offers wireless live-streaming video surveillance, video analytics, driver monitoring, and incident management solutions to help protect school children, public transit users, and employees on the move. The Company has unique photo enforcement and auto-ticketing solutions to deter stop-arm violations and protect school children. Gatekeeper has installed over 100,000 video devices for more than 3,500 customers throughout North America and provides annually recurring vehicle video system solutions for Southeastern Pennsylvania Transit Authority. www.gatekeeper-systems.com

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Certain statements made in this press release that are not historical facts are forward-looking statements and are subject to important risks, uncertainties and assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. As a result, we cannot guarantee that any forward-looking statement will materialize, and readers are cautioned not to place undue reliance on these forward-looking statements. For more exhaustive information on these risks and uncertainties, the reader should refer to the risk factors described in the management's discussion and analysis for the year ended August 31, 2019. The forward-looking statements contained in this press release represent our expectations as of the date hereof. We disclaim any intention and assume no obligation to update or revise any forward-looking statements. Forward-looking statements are presented for the purpose of providing information about management's current expectations and plans and allowing investors and others to obtain a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. The Company undertakes no obligations to update or revise such statements to reflect new circumstances or unanticipated events as they occur, unless required by applicable law.