Gatekeeper Reports $17.2M Revenue, $0.7M Operating Profit in Fiscal 2021

Abbotsford, British Columbia--(Newsfile Corp. - December 29, 2021) - **Gatekeeper Systems Inc. (TSXV: GSI) (OTC Pink: GKPRF) (FSE: 1GK) ('Gatekeeper' or the 'Company'),** a video and data solutions provider for public transportation and smart cities, reports its financial results for fiscal year ended August 31, 2021.

Key Business Highlights for Fiscal Year August 31, 2021:

- Launched AI-enabled Automatic Lane Enforcement (ALE) solution for traffic lane violations;
- Developed CLARITY, an industry-first integrated video and school bus operating platform;
- Launched a new Software-as-a-Service (SaaS) based video management solution designed to store and manage school bus video data and announced first customer deployment;
- Appointed Colin Sutherland and Corey Muirhead as independent directors;
- Signed numerous new contracts including a 5-year agreement with the 8^{th} largest school district and a US $2M contract with No. 1 bus dealer in U.S.;
- Named a Top 10 Tech Company in 2021 TSX Venture 50; and
- Installed approximately 5,000 intelligent mobile data collectors, increasing total installations by the Company to now be approximately 40,000.

Financial Highlights for Fiscal Year August 31, 2021:

- Revenue was $17,231,080 which compares to $20,316,576 for the same period in the previous year. Revenue variance was primarily due to a $6.3 million contract which was completed in November 2020. Approximately $4.74 million of this contract was billed during the fiscal year 2020 and approximately $1.56 million was billed during the fiscal year 2021. Revenue recognition details relating to this contract were announced in press releases dated July 9, 2020, and November 10, 2020;
- Gross profit was $7,515,984 which compares to $8,348,810 for the same period in the previous year;
- Gross margin as a percentage of revenue was 44% which compares to 41% in the previous year;
- Operating profit $713,633 which compares to $2,052,758 for the same period in the previous year; and
- Cash flow generated from operating activities was $4,141,853, and at August 31, 2021 the Company had cash of $3,601,034, working capital of $9,022,267, no borrowed-money debt, and approximately 90.3 million shares outstanding.

Management Commentary

"For the fiscal year 2021 we made significant progress in developing and launching new product solutions that we expect will deliver significant future revenues, all while continuing to achieve operating profitability," commented Doug Dyment, President and CEO. "We are strategically investing in our AI and video analytics capabilities to develop smart city products such as ALE, which we recently launched as a solution to help cities improve passenger safety and alleviate traffic congestion as we emerge from the pandemic. We've now installed approximately 40,000 mobile data collectors on school buses and transit vehicles, which form the foundation layer of our Platform-as-a-Service business mode. Video and data solutions are now a requirement in public transportation, and I'm very excited for our future as we build out Gatekeeper as a data company helping to protect people in transit."

Financial Summary

	For the years ended

		August 31, 2021		August 31, 2020		August 31, 2019		August 31, 2018
Revenue	$	**17,231,080**	$	20,316,576	$	13,726,313	$	7,850,933
Cost of Sales	$	**9,715,096**	$	11,967,766	$	7,622,185	$	3,661,863
Gross Profit	$	**7,515,984**	$	8,348,810	$	6,104,128	$	4,189,070
Gross Margin Percentage		***44%***		*41%*		*44%*		*53%*
Expenses	$	**6,802,351**	$	6,296,052	$	6,482,996	$	5,584,266
Operating Income (Loss)	$	**713,633**	$	2,052,758	$	(378,868)	$	(1,395,196)
Net Income (Loss) for the year	$	**108,068**	$	3,535,007	$	(285,827)	$	(1,323,277)
Earnings (Loss) per share - Basic	$	**0.00**	$	0.04	$	(0.00)	$	(0.02)
Diluted	$	**0.00**	$	0.04	$	(0.00)	$	(0.02)
Total Assets	$	**14,401,634**	$	15,601,937	$	9,249,093	$	7,894,272
Total Non-Current Liabilities	$	**670,287**	$	815,395	$	101,608	$	-
Total Liabilities	$	**3,301,803**	$	4,764,064	$	2,331,195	$	873,817
Total Shareholders' Equity	$	**11,099,831**	$	10,837,873	$	6,917,898	$	7,020,455

Full details of the financial reports and operating results for the year ended August 31, 2021, are described in the Company's 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 is a leading provider of intelligent video and data solutions designed to provide a safer transportation environment for children, passengers, and public safety personnel on multiple transportation modes. The Company uses AI, video analytics, thermal cameras, and mobile data collectors to inter-connect public transit assets as part of intelligent transportation systems in a Smart City ecosystem. The Company's Platform-as-a-Service (PaaS) business model is an enabling transformation to a video and data solutions provider for intelligent transit and Smart Cities.

www.gatekeeper-systems.com

Contact Information:

Douglas Dyment
President & CEO
ddyment@gatekeeper-systems.com
(604) 864-6187

Cautionary Note Regarding Forward-Looking Statements: 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, 2021. 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.

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