

GATEKEEPER

Gatekeeper Reports \$20M Revenue and \$1.9M Net Income in FY2022; \$10M Revenue and \$2.7M Net Income in FQ4

Abbotsford, BC – December 19, 2022 - Gatekeeper Systems Inc. ('Gatekeeper' or the 'Company') (TSX-V:GSI) (OTC:GKPRF) a video and data solutions provider for public transportation and smart cities, reports its audited financial results for the fiscal year ended August 31, 2022.

Financial Highlights:

- Revenue for the fiscal year ended August 31, 2022 was \$20,031,288, an increase of 16% when compared to \$17,231,080 in the prior year;
- Gross profit for the fiscal year ended August 31, 2022 was \$9,308,813, an increase of 24% when compared to \$7,515,984 in the prior year. Gross profit as a percentage of revenue was 46% and 44% respectively;
- Comprehensive income for the fiscal year ended August 31, 2022 was \$1,929,180 which compares to comprehensive loss of \$1,011,932 in the prior year;
- Revenue for the three months ended August 31, 2022 was \$9,838,871, the highest quarterly revenue in the Company's history, and represents an increase of 91% when compared to \$5,142,941 in the prior year comparable period;
- Comprehensive income for the three months ended August 31, 2022 was \$2,730,055, the highest quarterly net income in the Company's history, and compares to comprehensive loss of \$870,031 in the prior year comparable period;
- At August 31, 2022, the Company had working capital of \$11,196,838, and approximately 91.4 million shares outstanding; and
- At August 31, 2022, the Company had a sales backlog of approximately \$5.6 million and has announced aggregate contracts of approximately \$6 million subsequent to August 31, 2022.

Business Highlights:

- Launched broadband Wi-Fi on school buses for enhanced distance learning;
- Installed 5,529 mobile data collectors in FY2022, resulting in a total installed base of approximately 45,500 mobile data collectors;
- Entered into a Master Services Agreement with National Express LLC, the operator of over 20,000 school buses, to provide video, data, software, and related installation services;
- Announced \$13 million in aggregate video upgrade contracts in the transit industry vertical;
- Announced \$2.35 million annual contract extension to provide transit vehicle video system maintenance services; and
- Announced \$8 million in TD Bank working capital facilities to enable growth.

Management Commentary

"We are extremely pleased with our solid performance during FY2022, and we are even more proud that we delivered these financial results while successfully navigating through the various supply chain challenges and chip shortage issues that have hampered the technology industry at large. We continue to

make solid progress building our foundation as a data company and now have over 45,000 mobile data collectors installed on passenger buses collecting several different video and data streams. In FY2022 we announced some of the largest contracts in our history. In the school vertical, our new contract with National Express positions us as a services provider to an operator of 20,000 school buses and we are witnessing many of our existing school district customers returning to Gatekeeper for full-fleet upgrades and embracing our compelling suite of video and data offerings for school buses. In the transit vertical we announced \$13 million in aggregate video upgrade contracts this year and extended the service contract with our largest customer. These contracts are continuing examples of how Gatekeeper is strategically positioned to serve major customers,” commented Doug Dymont, President and CEO. “We are very grateful for the continuing support of our loyal customers and confidence of our valued employees.”

Financial Summary

	For the years ended			
	August 31, 2022	August 31, 2021	August 31, 2020	August 31, 2019
Revenue	\$ 20,031,288	\$ 17,231,080	\$ 20,316,576	\$ 13,726,313
Cost of Sales	\$ 10,722,475	\$ 9,715,096	\$ 11,967,766	\$ 7,622,185
Gross Profit	\$ 9,308,813	\$ 7,515,984	\$ 8,348,810	\$ 6,104,128
Gross Margin Percentage	46%	44%	41%	44%
Expenses	\$ 8,244,400	\$ 7,922,351	\$ 6,296,052	\$ 6,482,996
Operating Income (Loss)	\$ 1,064,413	\$ (406,367)	\$ 2,052,758	\$ (378,868)
Comprehensive Income (Loss)	\$ 1,929,180	\$ (1,011,932)	\$ 3,535,007	\$ (285,827)
Earnings (Loss) per share –				
Basic	\$ 0.02	\$ (0.01)	\$ 0.04	\$ (0.00)
Diluted	\$ 0.02	\$ (0.01)	\$ 0.04	\$ (0.00)
Total Assets	\$ 23,016,204	\$ 14,401,634	\$ 15,601,937	\$ 9,249,093
Total Non-Current Liabilities	\$ 1,578,025	\$ 1,790,287	\$ 815,395	\$ 101,608
Total Liabilities	\$ 10,470,109	\$ 4,421,803	\$ 4,764,064	\$ 2,331,195
Total Shareholders' Equity	\$ 12,546,095	\$ 9,979,831	\$ 10,837,873	\$ 6,917,898

Full details of the financial reports and operating results for the fiscal year ended August 31, 2022, 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

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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, 2022. 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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