GATEKEEPER

Gatekeeper Reports $5M Revenue, 48% Growth in Record-Breaking Fiscal Q1 2021

11th consecutive quarter of year-over-year revenue growth,
34,000 data-enabled public transportation vehicles form PaaS data platform.

Abbotsford, BC – January 26, 2021 - Gatekeeper Systems Inc. ('Gatekeeper' or the 'Company') (TSX-V: GSI) (OTC: GKPRF) (FSE: 1GK) a video and data solutions provider for public transportation and smart cities, reports its financial results for the three months ended November 30, 2020.

First Quarter Financial Highlights

- **Revenue** for the first quarter ended November 30, 2020 ("Q1 2021") was **$4,964,805**, the highest first quarter revenue in the Company's history and an increase of 48% when compared to $3,356,397 for the same period in the previous year;
- **Gross profit** for Q1 2021 was **$1,770,445,** the highest first quarter gross profit in the Company's history and an increase of 21% when compared to $1,468,012 for the same period in the previous year;
- **Net income** for Q1 2021 was **$242,401,** the highest first quarter net income in the Company's history and compares to net loss of $332 for the same period in the previous year;
- **Cash Flow** generated from operating activities during the quarter was **$3,199,910.** During the quarter, $1,411,969 was used to reduce the revolving credit facility with TD Bank to $Nil;
- **Working capital** as at November 30, 2020 was **$8,624,034.** The Company had approximately 89.4 million shares outstanding;
- Announced sales contracts and a marketing campaign for Intelligent Temperature Sensing Systems (ITSS) for passenger health monitoring on school buses and transit buses; and
- Completed design and delivery of NTSB compliant digital video recorders in a $6.3 million contract for the sixth largest transit authority in the US.

Management Commentary

Doug Dyment, President and CEO commented: "Fiscal Q1 was yet again another record-breaking quarter in all respects. It represents our 11th consecutive quarter of year-over-year revenue growth. Mobile video and mobile data have become rapid growth areas as school districts and transit authorities seek technology solutions to improve passenger safety and operational efficiency. The data from our devices is becoming increasingly more important in wide-ranging user applications including accident investigation, evidence management and COVID-19 contact tracing."

Gatekeeper's strategic focus as a video and data solutions provider for public transportation and smart cities is centered on the following strategic initiatives:

Platform-as-a-Service ("PaaS") Business Model – PaaS is the Company's enabling transformation to a video and data solutions provider for intelligent transit and Smart Cities. Over the past seven years the Company has installed over 34,000 intelligent mobile data collectors and 100,000 video devices on school buses, transit buses and trains for over 3,500 public transportation customers. These intelligent devices form the foundation of the PaaS business model by collecting vehicle data such as video, audio, GPS, time, door open/close and serve as the "black box" to aid in transit accident investigations. The PaaS units are

WiFi enabled, mobile connected, or mobile enabled, allowing public transport assets to become part of an intelligent transportation solution in a Smart City ecosystem. The PaaS platform also serves as the AI-based intelligence platform for future applications such as thermal camera sensors, passenger counting, contact tracing, intelligent routing, license plate capture, video evidence and more.

Artificial Intelligence and Video Analytics Software – The Company provides video analytics software and is advancing artificial intelligence (AI) offerings. AI offers the potential to evolve conventional video into machine-vision intelligence to automatically record, alarm, enforce, or take action without human interaction in applications such as abnormal driver or passenger behavior. Gatekeeper's software instantly captures license plate data and automatically prepares a video-based evidence package of vehicles that illegally drive or park in a bus lane or illegally pass streetcars or school buses while passengers are loading or unloading. Many customers choose Gatekeeper's video analytics software for its easy zooming, facial blurring and quick and easy assembly of video evidence needed to deal with problems such as bullying, grazing or verbal abuse on school buses.

Passenger Health Check Initiative – Gatekeeper's Intelligent Temperature Sensing System (ITSS) is a contactless infrared body temperature sensor system that incorporates a smart panel, thermal imaging, and artificial intelligence to measure body temperature within 20 milliseconds. The panel is equipped with facial recognition capabilities to improve accuracy and allows authorities to prepare future applications such as intelligent passenger routing, contact tracing, passenger counting, or payment verification. The Company believes passenger health monitoring in public transportation is an emerging growth trend that will continue even after the COVID-19 pandemic subsides. An estimated 25 million schoolchildren and 18 million transit passengers board buses daily in the US alone, mostly at locations that are not stations which necessitates on-bus installations for passenger health screening devices. The Company is integrating ITSS into its PaaS platform business model as a new additional data layer.

NTSB Compliant Digital Video Recorders – Gatekeeper provides digital video recorders (DVRs) and crash hardened memory modules (CHMMs) that record and protect operating evidence in rail transit applications. The DVRs and CHMMs have continuous-recording capabilities that can be used to verify crew actions and train operating conditions, which greatly aids accident investigations in the same way that black boxes are used in the airline industry. They are compliant with the recommendation made by the National Transportation Safety Board (NTSB), which calls upon the Federal Transit Administration to install crash-resistant inward and outward-facing cameras and continuous recorders in all rail transit vehicles. The Company recently completed its first installation, equipping the trains of the sixth largest transit authority in the US through a $6.3 million contract.

Selected Financial Information

	For the three months ended	
	November 30, 2020	**November 30, 2019**
Revenue	$ 4,964,805	$ 3,356,397
Cost of Sales	$ 3,194,360	$ 1,888,385
Gross Profit	$ 1,770,445	$ 1,468,012
Gross Margin Percentage	*36%*	*44%*
Expenses	$ 1,517,014	$ 1,497,217
Operating Income (Loss)	$ 253,431	$ (29,205)
Net Income (Loss) for the period	$ 242,401	$ (332)
Earnings (Loss) per share –		
Basic	$ 0.00	$ (0.00)
Diluted	$ 0.00	$ (0.00)
	November 30, 2020	**August 31, 2020**
Total Assets	$ 14,894,941	$ 15,601,937
Total Liabilities	$ 3,767,819	$ 4,764,064
Total Shareholders' Equity	$ 11,127,122	$ 10,837,873

Full details of the financial reports and operating results for the first quarter ended November 30, 2020 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.

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