GATEKEEPER

Gatekeeper Reports $7.5M Revenue, 16% YoY Growth, in Record Breaking Fiscal Q3 2025

Abbotsford, BC – July 30, 2025 - 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 financial results for the three and nine months ended May 31, 2025.

Recent business and Fiscal Q3 2025 highlights:

- Announced transit contracts worth over $7 million, including for: a video services contract extension with SEPTA, a new transit customer in Oregon, a new transit customer in Canada, and factory-installed paratransit video systems;
- Announced school bus video and subscription contracts worth over $5.4 million, including for: bus fleets of 300 in Florida, 200 in Missouri, 100 in Indiana, 100 in Virginia, 70 in Nebraska, 51 in California, Student Protector installations in Nevada, 360 Surround Vision installations in Florida, and interior video for several school districts in Canada;
- Video management and hosted service subscriptions grew from approximately 300 to 3,500 during this fiscal year;
- Transit team expanded with a particular focus on the Federal Railroad Administration (FRA) mandate;
- Revenue for the three-month period ended May 31, 2025, was the Company's highest-ever fiscal third quarter revenue, increasing 16% to $7.5 million, compared to $6.5 million in the prior year;
- Revenue for the nine-month period was $20.7 million, compared to $26.1 million in the prior year. The prior year nine-month revenue included a large transit contract of $9 million in addition to the Company's regular business (see press release dated January 4, 2024). When excluding that large contract, the Company's regular business grew approximately 21% for the nine-month period ended May 31, 2025;
- Gross profit for the three and nine month periods was $3.7 million and $9.1 million respectively. Gross margin as a percentage of revenue for the three and nine months periods was 49% and 44%, respectively, compared to 42% and 48% for the same prior year comparable periods;
- Operating expenses for the three and nine month periods were $3.7 million and $10.5 million, respectively, as compared to $3.2 million and $9.2 million for the same prior year comparable periods. Operating expenses increased in the current period due to an increase in selling and marketing expenses and an increase in research and development costs associated with new product development;
- Operating loss for the three and nine month periods was $0.1 million and $1.4 million respectively, as compared to operating loss of $0.4 million and operating profit of $3.4 million for the same prior year comparable periods;
- Total comprehensive loss for the three and nine month periods was $0.4 million and $0.8 million respectively, as compared to loss of $0.5 million and income of $3.1 million for the same prior year comparable periods;

- At May 31, 2025, the Company had working capital of $15.6 million and no borrowed-money debt; and
- Subsequent to the period ended May 31, 2025, the Company completed a bought-deal brokered financing generating gross proceeds of $11.5 million and increased its Letter of Credit Facility with TD Bank to $7.5 million to accommodate potential inventory purchases and performance bond guarantees for large projects.

Management Commentary

Doug Dyment, President and CEO of Gatekeeper, commented, "Our fiscal third quarter marks the Company's highest-ever fiscal third quarter revenue. We continue to make investments in our business, which we believe will contribute strongly to our future growth and we are already witnessing those benefits. Customer adoption of our video management and hosted service subscriptions is gaining traction and most of our customer proposals now include these subscription services. During the current fiscal year, the number of Mobile Data Collectors under contract for monthly-recurring hosted services has increased from approximately 300 to 3,500, with additional subscriptions expected soon from contracts recently announced.

Our school bus segment has recently delivered some significant wins, and we are seeing some contracts now greater than $1 million per customer. Our school bus segment sales team is very active and has attended 39 school industry trade shows so far this calendar year. Gatekeeper has proven its capabilities as a customer-focused trusted provider and that is translating into full-fleet installations of our video solutions, including factory-installs by the OEM bus manufacturers. We are also working closely with school bus transportation providers to leverage broader customer reach for our compelling suite of video offerings for school buses.

During the quarter we added two new transit agencies to our growing list of transit customers, which now stands at over 60. We've also recently expanded the transit team, where we have a particular focus on the Federal Railroad Administration (FRA) mandate. The FRA mandate requires that all passenger train lead locomotives providing scheduled intercity rail passenger or commuter service be equipped with crashworthy memory modules and image recording devices prior to October 12, 2027. Gatekeeper already has a great deal of experience in providing FRA compliant solutions, and the FRA mandate comes at a time when transit agencies are also looking to do life cycle upgrades to their video systems, so this becomes a catalyst for them to do so. Gatekeeper is therefore increasing market awareness of its transit solutions. During this calendar year, our transit team has already attended 10 transit industry conferences and is scheduled to attend an additional 10 conferences."

Selected Financial Information

	For the three months ended		For the nine months ended	
	May 31, 2025	May 31, 2024	May 31, 2025	May 31, 2024
Revenue	$ 7,465,670	$ 6,457,184	$ 20,671,389	$ 26,140,481
Cost of Sales	3,793,648	3,731,286	11,546,294	13,548,907
Gross Profit	3,672,022	2,725,898	9,125,095	12,591,574
Gross Margin	*49%*	*42%*	*44%*	*48%*
Expenses	3,732,189	3,172,710	10,491,677	9,173,453
Operating Income (Loss)	(60,167)	(446,812)	(1,366,582)	3,418,121
Total Comprehensive Income (Loss) for the period	$ (442,772)	$ (517,132)	$ (801,415)	$ 3,111,840
Earning (Loss) per share –				
Basic	$ (0.01)	$ (0.01)	$ (0.01)	$ 0.03
Diluted	$ (0.01)	$ (0.01)	$ (0.01)	$ 0.03

	May 31, 2025	August 31, 2024
Total Assets	$ 20,047,953	$ 22,368,076
Total Liabilities	2,600,112	4,205,999
Total Shareholders' Equity	$ 17,447,841	$ 18,162,077

Full details of the financial reports and operating results for the fiscal quarter ended May 31, 2025, are described in the Company's unaudited consolidated financial statements with accompanying notes and related Management's Discussion and Analysis, available on SEDAR+ at www.sedarplus.ca.

About Gatekeeper Systems Inc.

Gatekeeper is a leading provider of video and data solutions for a safer transportation environment for children, passengers, and drivers on public transportation fleets. Gatekeeper has provided solutions to more than 60 transit agencies and 3,500 school districts throughout North America and has installed more than 57,000 Mobile Data Collectors for customers which record video and data daily from over 200,000 onboard devices. The Company's hosted software applications facilitate AI-assisted video analytics for incident management and storage. The Company's Platform-as-a-Service (PaaS) business model is centered around the Mobile Data Collectors, which are the cornerstone of its data company transformation. www.gatekeeper-systems.com

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