



**ADB Systems International Ltd.**

6725 Airport Road, Suite 201

Mississauga, ON L4V 1V2

Tel: 905-672-7467 / Facsimile: 905-672-7514

Website: [www.adbsys.com](http://www.adbsys.com)

(TSX: ADY; OTCBB: ADBY)

**For Immediate Release**

**ADB REPORTS THIRD QUARTER 2003 RESULTS  
Meets performance targets; provides guidance outlook for Q4**

Toronto, ON – October 22, 2003 – ADB Systems International (TSX: ADY; OTCBB: ADBY), a global provider of asset lifecycle management solutions, announced its financial results for the third quarter ended September 30, 2003. All figures are in Canadian dollars. As at September 30, 2003, the exchange rate was CDN \$1.35 to US \$1.00.

Consistent with previously announced forecasts, ADB reported revenue of \$1.70 million for the quarter, a growth of 22 percent over the results achieved in the second quarter of 2003. In the same period of 2002, ADB recorded revenue of \$1.26 million, representing a year over year growth of 35 percent. Revenue was comprised of software license sales, service fees for software implementation, application development and hosting, support and training, and transaction fees from on-line activities performed for customers.

“For three consecutive quarters, ADB has been able to match or exceed our revenue and performance targets,” said Mr. Jeff Lymburner, CEO of ADB Systems International Ltd. “By consistently delivering against our plan, we are developing a track record of success that underscores our long-term potential and our plans for continued growth.”

ADB reported a net loss for the period of \$460,000, representing a loss of \$0.01 per basic share. The loss in the quarter compares to a net income of \$527,000 or \$0.01 per basis share in the second quarter of 2003 when a special, one-time gain of \$2.2 million was included. In the same period of 2002, ADB experienced a net loss of \$2.4 million.

In the quarter, ADB also reported an EBITDA loss of \$64,000. In Q2 of 2003, ADB recorded an EBITDA loss of \$1.1 million. In the same period of 2002, ADB recorded an EBITDA loss of \$1.6 million.

“During the last 12 months, we have significantly reduced our expenses through a number of cost-containment activities,” Mr. Lymburner said “As evidenced by our Q3

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### ***ADB reports Q3 results/2***

results, ADB is on track to achieve our previously announced forecasts for a combined EBITDA loss for Q3 and Q4 of no more than \$600,000 once a number of year-end operating expenses are considered.”

EBITDA loss is defined as losses before interest, taxes, depreciation, amortization, realized and unrealized gains and losses, goodwill, and restructuring charges are calculated.

As at September 30, 2003, ADB held cash and marketable securities totaling \$803,000, an improvement of more than 50 percent over the Company’s position at the end of the second quarter.

### **Other Q3 Achievements**

In addition to its financial performance, ADB experienced a number of significant operational achievements in the third quarter, including:

- ADB launched GE Asset Manager LLC, a joint venture co-owned with GE Commercial Equipment Finance that will develop and market innovative asset management technology to organizations in a broad range of industries.
- ADB raised \$1 million through a convertible debt private placement. The funds will be used to sustain the Company’s operating activities.

### **Outlook**

“As a result of the value delivered by our proven technology solutions, ADB continues to add to our customer base and experience significant revenue growth,” Mr. Lymburner said. “Based on recent customer wins, our joint venture with GE Commercial Equipment Finance, and sustained bottom-line improvements, ADB’s outlook remains very positive. We expect continued revenue growth in Q4 and that our combined EBITDA loss in Q3 and Q4 will be no more than \$600,000 as previously stated. Given our recent performance, we are also reconfirming that ADB will achieve positive cash flow from operations in the first quarter of 2004.”

ADB Systems will hold a conference call at 10:00 a.m. Eastern on Thursday, October 23, 2003 to discuss its final results and review operational activities. Followers of ADB systems are invited to list to the call live over the Internet on the Investor Relations section of the Company’s website at [www.adbsys.com](http://www.adbsys.com).

### **About ADB Systems International Ltd.**

ADB Systems International delivers asset lifecycle management solutions that help organizations source, manage and sell assets for maximum value. ADB works with a growing number of customers and partners in a variety of sectors including oil and gas, government, healthcare, manufacturing and financial services. Current customers and partners include BP, Forest Oil, GE Commercial Equipment Finance, Halliburton Energy Resources, HFK, permanent TSB, Talisman Energy, and Vesta Insurance.

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### ***ADB reports Q3 results/3***

Through its wholly owned subsidiary, ADB Systems USA Inc., ADB owns a 50 percent interest in GE Asset Manager, a joint business venture launched with GE. ADB has offices in Toronto (Canada), Stavanger (Norway), Tampa (U.S.), Dublin (Ireland), and London (U.K.). The company's shares trade on both the Toronto Stock Exchange (TSX: ADY) and the OTC Bulletin Board (OTCBB: ADBY).

*This news release may include comments that do not refer strictly to historical results or actions and may be deemed to be forward-looking within the meaning of the Safe Harbor provisions of the U.S. federal securities laws. These include, among others, statements about expectations of future revenues, cash flows, and cash requirements. Forward-looking statements are subject to risks and uncertainties that may cause ADB's ("the Company") results to differ materially from expectations. These risks include the Company's ability to raise additional funding, develop its business-to-business sales and operations, develop appropriate strategic alliances and successful development and implementation of technology, acceptance of the Company's products and services, competitive factors, new products and technological changes, and other such risks as the Company may identify and discuss from time to time, including those risks disclosed in the Company's Form 20-F filed with the Securities and Exchange Commission. Accordingly, there is no certainty that the Company's plans will be achieved.*

#### **Contacts:**

**At ADB Systems International Ltd.**

Joe Racanelli, Director of Marketing

Tel: (905) 672-7467 ext. 273

Fax: (905) 672-9928

E-mail: [jracanelli@adbsys.com](mailto:jracanelli@adbsys.com)

(Financial tables follow)

**ADB Systems International Ltd.**  
**Consolidated Statement of Operations**  
(expressed in thousands of Canadian dollars, except per share amounts)  
(Canadian GAAP, Unaudited)

	<u>Three Months Ended</u>			<u>Nine Months Ended</u>		
	<u>September 30</u>			<u>September 30</u>		
	<u>2003</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2003</u>	<u>2002</u>
	translated into US\$ at Cdn\$ 1.3504 for convenience			translated into US\$ at Cdn\$ 1.3504 for convenience		
Revenue	\$ 1,701	\$ 1,260	\$ 1,255	\$ 4,360	\$ 3,229	\$ 4,280
Net revenue	\$ 1,701	\$ 1,260	\$ 1,255	\$ 4,360	\$ 3,229	\$ 4,280
General and administrative	\$ 1,010	\$ 748	\$ 1,334	\$ 3,565	\$ 2,640	\$ 4,797
Software development and technology	497	368	1,098	2,090	1,548	3,135
Sales and marketing costs	259	192	472	906	671	1,467
Depreciation and amortization	333	247	674	1,525	1,129	1,913
Interest expense	63	47	54	238	176	54
Interest income	(1)	(1)	(7)	(7)	(5)	(39)
	<u>\$ 2,161</u>	<u>\$ 1,601</u>	<u>\$ 3,625</u>	<u>\$ 8,317</u>	<u>\$ 6,159</u>	<u>\$ 11,327</u>
Loss before the undernoted	<u>\$ (460)</u>	<u>\$ (341)</u>	<u>\$ (2,370)</u>	<u>\$ (3,957)</u>	<u>\$ (2,930)</u>	<u>\$ (7,047)</u>
Realized gains and losses on disposals of marketable securities, strategic investments, capital assets, and recovery of assets	\$ -	\$ -	\$ 9	\$ 7	\$ 5	\$ (89)
Realized gains on settlement of demand loan	-	-	-	2,195	1,625	-
Unrealized gains and losses on revaluation of marketable securities and strategic investments and provision for impairments of assets	-	-	-	-	-	56
Retail activities settlement	-	-	-	67	50	-
Goodwill Impairment	-	-	-	-	-	(14)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 2,269</u>	<u>\$ 1,680</u>	<u>\$ (47)</u>
NET LOSS FOR THE PERIOD	<u>\$ (460)</u>	<u>\$ (341)</u>	<u>\$ (2,361)</u>	<u>\$ (1,688)</u>	<u>\$ (1,250)</u>	<u>\$ (7,094)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.06)</u>	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>	<u>\$ (0.17)</u>
Weighted average common shares	<u>56,284</u>	<u>56,284</u>	<u>41,583</u>	<u>52,901</u>	<u>52,901</u>	<u>41,583</u>
Loss per share before the undernoted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.06)</u>	<u>\$ (0.07)</u>	<u>\$ (0.06)</u>	<u>\$ (0.17)</u>

**ADB Systems International Ltd.**  
**Consolidated Balance Sheet**  
(expressed in thousands of Canadian dollars)  
(Canadian GAAP, Unaudited)

	<b>September 30</b>	<b>September 30</b>	<b>December 31</b>
	<b>2003</b>	<b>2003</b>	<b>2002</b>
	(unaudited)	(unaudited)	(audited)
		(in US\$)	
		translated into US\$ at Cdn\$ 1.3504 for convenience	
Cash	\$ 790	\$ 585	\$ 1,337
Marketable securities	13	10	20
Other current assets	1,599	1,184	2,006
Other assets	1,612	1,193	2,992
<b>Total assets</b>	<b>\$ 4,014</b>	<b>\$ 2,972</b>	<b>\$ 6,355</b>
Current liabilities	\$ 1,326	\$ 982	\$ 2,288
Deferred revenue	269	199	832
Demand loan	-	-	2,000
Other liabilities	105	78	34
Minority interest	3	2	3
Total shareholders' equity	2,311	1,711	1,198
<b>Total liabilities and shareholders' equity</b>	<b>\$ 4,014</b>	<b>\$ 2,972</b>	<b>\$ 6,355</b>