

INFONAUTICS FINANCIAL NEWS RELEASE, Q2 1999

Infonautics, Inc. Reports Results for Second Quarter Of 1999

Record Sales Bookings and Revenue, Continued Growth of Company Sleuth User Base

WAYNE, Pa. (July 22, 1999) — Infonautics, Inc. (NASDAQ:INFO), a rapidly growing Internet information company, today reported record sales bookings and revenue. In addition, the company also reported continued growth in the registered user base of Company Sleuth™ (<http://www.companysleuth.com>).

In the second quarter, revenues grew to \$6.0 million representing a 67 percent increase over the \$3.6 million in last year's comparable period and 14 percent sequential growth over the first quarter. In the first half of 1999, Infonautics had revenue of \$11.2 million, which was 82 percent more than the \$6.2 million in the first half of 1998.

Sales bookings were \$8.5 million in this year's second quarter. This represents an increase of 47 percent over the \$5.8 million in last year's comparable period and a 39 percent increase over this year's first quarter. In the first six months of 1999, sales bookings totaled \$14.6 million, a 52 percent increase over last year's first six months. Sales bookings are firm, non-cancelable customer commitments that convert to revenue over the life of the contract.

"In the second quarter, the company's sales bookings exceeded total expenses. This is significant," commented Van Morris, president and chief executive officer of Infonautics. "It was yet another quarter of higher revenues and improved operating fundamentals. But perhaps more importantly, the recently announced agreement with Bell & Howell Company provides strategic clarity for both our K-12 and mass market consumer segments."

Infonautics' second quarter loss from operations improved to \$1.9 million, 60 percent lower than the \$4.8 million reported in the second quarter of last year and 23 percent lower than the first quarter loss.

Deferred revenue and backlog increased by 20 percent over the first quarter, totaling a record \$15.5 million on June 30, 1999.

At the end of the second quarter, Company Sleuth had approximately 215,000 registered users and currently has more than 235,000 registered users. At the same time Electric Library® was licensed to more than 17,000 schools and libraries and had more than 85,000 paying individual subscribers. The Infonautics Network of web properties generated 16.5 million page views during the month of June and reached approximately 1.6 million unique visitors. "Given that June is a seasonally slow period for Electric Library, our traffic and reach were in line with our expectations," said Morris. "We are excited about the growth of the Company Sleuth user base and the reaction to our recently launched Sports Sleuth™."

Infonautics' net loss for this year's second quarter was \$2.4 million or \$0.20 per share, compared with a net loss of \$4.8 million or \$0.50 per share a year earlier. In the first half of 1999 the net loss was \$5.2 million, or \$0.45 per share, compared with \$9.4 million or \$0.99 per share a year earlier. The per share improvement was impacted by a lower net loss and a more than 20 percent increase in shares outstanding since June 30,

1998.

Cash used in operations was \$2.9 million during the second quarter compared with \$3.8 million in the second quarter of 1998 and \$2.7 million in the immediately preceding quarter. Cash used in operations was impacted by the seasonality of the company's business with schools. During the second quarter the company used its accounts receivable purchase line for working capital and at June 30, 1999, the amount due the bank was \$1.5 million.

Total costs and expenses were \$7.9 million in this year's second quarter, compared with \$8.4 million a year earlier.

On July 8, 1999, the company announced that it had signed an agreement with Bell & Howell Company (NYSE: BHW), to create a new educationally focused company that will combine both firms' complementary K-12 reference businesses. Subject to regulatory and shareholder approval, Infonautics will receive \$22 million in connection with the transaction upon closing.

About Infonautics

Infonautics, Inc. (NASDAQ: INFO) is a pioneering provider of Internet information services to schools, libraries, consumers and businesses. The Infonautics Network of web properties includes Company Sleuth, Electric Library, Job Sleuth, Sports Sleuth, Encyclopedia.com and Researchpaper.com. Company Sleuth (<http://companysleuth.com>), is the Internet's leading source of free, legal, inside information about publicly traded companies and has recently been selected by PC Magazine as one of the "Top 100 Web Sites" on the Internet. Electric Library (<http://www.elibrary.com>), was the first reference service of its type on the Internet, and today is one of the fastest growing electronic reference products for schools and libraries, serving more than 17,000 institutions in all 50 states. Electric Library is also one of the largest paid subscription sites on the Web with more than 85,000 paying subscribers. The Company also provides e-commerce online archive services to major publishers and other content creators. Infonautics was founded in November 1992, and is headquartered in Wayne, PA.

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This news release contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. These forward-looking statements may include statements regarding, for example, the Company's growth and expansion plans; the sufficiency of the Company's liquidity and capital, new products and services, the number of unique visitors, subscribers, and registered users of the Company's products and services, the number of page views for its products and services, regulatory and shareholder approval and closing of the agreement (and related transactions) with Bell & Howell Company, the development and success of the Company's various Sleuth businesses and Electric Library businesses; and future businesses and services. Such statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. More information about potential factors which could affect the Company's financial results is included in the Risk Factors sections of the Company's filings with the Securities and Exchange Commission. All forward-looking statements included in this document are based on information available to the company as of the date of this document, and the company assumes no obligation to update any such forward-looking statements.

INFONAUTICS, INC. SUMMARY FINANCIAL DATA

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|---------------|------------------|---------------|
| | June 30, | | June 30, | |
| | 1999 | 1998 | 1999 | 1998 |
| Statement of Operations Data: | | | | |
| Total revenues | \$5,977,000 | \$3,582,000 | \$11,208,000 | \$6,165,000 |
| Total costs and expenses | \$7,925,000 | \$8,392,000 | \$15,679,000 | \$15,757,000 |
| Loss from operations | \$(1,948,000) | \$(4,810,000) | \$(4,471,000) | \$(9,591,000) |
| Net loss | \$(2,360,000) | \$(4,775,000) | \$(5,170,000) | \$(9,447,000) |
| Redemption of preferred stock in excess of carrying amount | \$0 | \$0 | \$(75,000) | \$0 |
| Net loss applicable to common shareholders | \$(2,360,000) | \$(4,775,000) | \$(5,245,000) | \$(9,447,000) |
| Net loss per common share - basic and diluted | \$(0.20) | \$(0.50) | \$(0.45) | \$(0.99) |
| Weighted average shares outstanding - basic and diluted | \$11,666,700 | \$9,634,000 | \$11,664,700 | \$9,563,900 |

| | |
|----------|----------|
| June 30, | December |
| 1999 | 31, |
| | 1998 |

Balance Sheet Data:

| | | |
|--|---------------|---------------|
| Cash, cash equivalents and investments | \$1,577,000 | \$3,268,000 |
| Working capital | \$(6,383,000) | \$(5,561,000) |
| Total assets | \$11,966,000 | \$10,192,000 |
| Note payable, bank | \$1,533,000 | \$ — |
| Total noncurrent liabilities | \$3,561,000 | \$577,000 |
| Total shareholders' equity (deficit) | \$(7,401,000) | \$(3,298,000) |