

# **INFONAUTICS FINANCIAL NEWS RELEASE, Q2 2000**

## **Operating Loss Improved to \$2.0 Million Sleuth Site Registrations Grew 60% in the Quarter**

KING of PRUSSIA, Pa., (May 3, 2001) - Infonautics, Inc. (Nasdaq: INFO), a pioneering provider of personalized information agents and Internet sites, today reported results for the three months ended June 30, 2000.

The operating loss in the quarter improved to \$2.0 million from \$2.8 million sequentially in the prior quarter. In addition, registered users of Infonautics' Sleuth sites increased to approximately 1.3 million at quarter-end, representing more than 60% percent sequential growth. Total revenue was \$3.0 million, up from pro forma revenues of \$2.5 million in the second quarter of 1999, and was essentially flat over the prior quarter. Pro forma results have been prepared for comparative purposes to the ongoing operations of the Company as a result of its transaction that created bigchalk.com, Inc., a privately held Internet education company.

Commenting on the results, Van Morris, Infonautics' CEO said, "In the quarter we reduced our total level of spending while continuing to further invest in product development and selective customer acquisition programs. Each of our web properties has a specific path to profitability which involves product enhancement, growth of the user base and finally monetization of that larger user base. While revenues did not grow sequentially, they were in line with our expectations."

Advertising and e-commerce revenue was \$499,000 for the quarter, compared with \$230,000 in the second quarter of last year and \$634,000 in the first quarter of 2000. Subscription revenues were \$2.5 million compared with \$2.2 million in the same quarter last year and \$2.4 million in the first quarter. As of June 30, 2000, the Electric Library site had more than 105,000 individual paying subscribers.

Mr. Morris added, "We are pleased with our registered user growth during the quarter and the growing recognition of our sites through awards and profiles in several industry and national media outlets, including the Wall Street Journal, Forbes, Business Week and Bloomberg Personal Finance magazine. The Sports Sleuth site was recognized by Yahoo! Internet Life as one of the 50 Most Incredibly Useful Sites on the Internet."

"In the second quarter, we added approximately 50 new placement areas on our Sleuth sites for e-commerce, direct marketing offers, ad placements and sponsorships, which we believe will help us achieve profitability," continued Mr. Morris.

Morris added, "In order to expand our reach to the sports enthusiasts marketplace, we launched the Sports B to B content syndication engine which allows individual websites and portals to get direct access to Sports Sleuth's local team and player sports content. We continue to be interested in exploring the potential of syndicating Sleuth and other content feeds."

The Company announced that it had \$13.0 million in cash at quarter-end. In addition, the Company owns 174,000 shares of eBay Inc. common stock resulting from eBay's acquisition of Half.com, Inc. in which the company had an early stage position. This is not reflected in the Company's June 30th financials because the eBay transaction did not close until early July. At yesterday's close, the eBay stock held by the Company had

a market value of approximately \$9.0 million. Mr. Morris commented, "Given current market conditions, our cash position provides us with operating and strategic flexibility."

The Company also reported that the loss from operations in the quarter was \$2.0 million, or \$0.16 per share, compared with a pro forma loss of \$976,000 for the same quarter last year. Net loss for the quarter grew to \$5.4 million or \$0.44 per share. These numbers were impacted by a \$3.4 million, or \$0.28 per share, loss from equity interest in bigchalk.com. Net loss for the corresponding quarter of 1999 was \$2.4 million or \$0.20 per share.

## **ABOUT INFONAUTICS**

Infonautics, Inc. (Nasdaq: [INFO - news](#)) is a pioneering provider of personalized information agents and Internet services. The Infonautics Network of Web properties includes the award-winning Sleuth sites featuring Company Sleuth, Sports Sleuth, Job Sleuth, Entertainment Sleuth, Shopping Sleuth and Mobile Sleuth. The Infonautics Network also includes Search and Reference Media sites consisting of Electric Library, eLibrary Tracker, Encyclopedia.com and NewsDirectory.com. The Electric Library site was the first reference site of its type on the Internet, and is one of the largest paid subscription sites on the Web, with more than 105,000 paying subscribers. Infonautics was founded in November 1992, and is headquartered in King of Prussia, 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 prospects for continued growth, its equity interests, its business and Internet strategies, its pro forma estimates, its revenues, its costs and expenses, the profitability of its business and sites, its capital and cash, its registered users, user base, subscribers, and personalized e-mails, and the success and results of any of its launches, equity interests, or agreements. 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**