August 14, 2017

Milestone Scientific Provides Business Update for the Second Quarter of 2017

Reports growth in Wand Dental driven by domestic handpiece sales; Continued progress towards commercialization of the CompuFlo(TM) Epidural Instrument

LIVINGSTON, NJ -- (Marketwired) -- 08/14/17 -- ***Milestone Scientific Inc.*** (NYSE American: MLSS) (NYSE MKT: MLSS), a medical company that develops and commercializes a growing portfolio of proprietary injection technologies, today provided a business update and announced financial results for the second quarter and six months ending June 30, 2017.

Daniel Goldberger, Chief Executive Officer of Milestone Scientific stated, "I am pleased to report that the Wand Dental business continues to grow profitably and we are making steady progress towards commercializing our first medical instrument following successful FDA marketing clearance of the CompuFlo™ Epidural Instrument earlier this year. We recently announced treatment of our first patient in the U.S. with the CompuFlo™ Epidural Instrument at the University of Miami Hospital. Outside the U.S., we are actively recruiting distribution partners for the CompuFlo™ Epidural Instrument in all the important international markets."

"Our Wand Dental business continues to strengthen, highlighted by a 70% increase in domestic handpiece sales, as we launched several promotional programs through the exclusive product sales team at Henry Schein, our distributor for the U.S. and Canada. We believe these marketing initiatives along with further investments in education and research activities with our worldwide team of key opinion leaders should build market awareness and serve to accelerate revenue growth in the second half of 2017 and throughout 2018."

Revenue for the three months ended June 30, 2017 was $2.5 million versus $2.4 million for the second quarter of 2016. The increase in total revenue by approximately 6% was primarily related to the increase in domestic sales. Domestic sales increased by approximately $517,000 in 2017. International sales decreased by approximately $365,000 over the same period in 2016 principally due to a reduction in shipments of handpieces to Milestone China. The decrease is due to Milestone China working through its current inventories and adjusting its business model. Gross profit for the second quarter of 2017 was $1.7 million or 65% of revenue versus $1.6 million or 67% of revenue in the second quarter of 2016. Net loss for the second quarter of 2017 was $(1.5) million, or $(0.05) per share, versus net loss of $(1.6) million, or $(0.06) per share, for the comparable period in 2016.

Revenue for the six months ended June 30, 2017 was $6.2 million versus $5.8 million for the second quarter of 2016. The increase in total revenue by approximately 6% was primarily related to increased handpiece sales in the United States. Domestic sales increased by approximately $499,000 in 2017. International sales decreased by approximately $123,000 over the same period in 2016 principally due to a reduction in

shipments of handpieces to Milestone China. Gross profit for the second quarter of 2017 was $3.9 million or 63% of revenue versus $3.7 million or 63% of revenue in the second quarter of 2016. Net loss for the second quarter of 2017 was $(2.0) million, or $(0.06) per share, versus net loss of $(2.4) million, or $(0.10) per share, for the comparable period in 2016.

Conference Call

Milestone Scientific's executive management team will host a conference call at 8:00 AM Eastern Time on Tuesday, August 15, 2017 to discuss the Company's financial results for the second quarter ended June 30, 2017, as well as the Company's corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 866-564-2842 and entering the pass code 1085396 or on the company's website at www.milestonescientific.com. For those unable to participate at that time, a replay of the call will be archived on the company's website or can be accessed by dialing 888-203-1112 and entering the pass code 1085396. The replay will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (MLSS) is a leading medical research and development company that designs and patents innovative injection technology. Milestone's computer-controlled systems make injections precise, efficient, and virtually painless. For more information please visit our website: www.milestonescientific.com.

Safe Harbor Statement

This press release contains forward-looking statements regarding the timing and financial impact of Milestone's ability to implement its business plan, expected revenues and future success. These statements involve a number of risks and uncertainties and are based on assumptions involving judgments with respect to future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond Milestone's control. Some of the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements are general economic conditions, failure to achieve expected revenue growth, changes in our operating expenses, adverse patent rulings, FDA or legal developments, competitive pressures, changes in customer and market requirements and standards, and the risk factors detailed from time to time in Milestone's periodic filings with the Securities and Exchange Commission, including without limitation, Milestone's Annual Report for the year ended December 31, 2016. The forward looking statements in this press release are based upon management's reasonable belief as of the date hereof. Milestone undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

(tables follow)

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,945,631	$ 3,602,229
Accounts receivable, net of allowance for doubtful accounts of $10,000 as of June 30, 2017 and $5,000 as of December 31, 2016	1,419,731	802,384
Accounts receivable from related party	356,400	2,714,600
Other receivable	-	10,000
Notes receivable, financing transaction short term	500,000	-
Inventories	4,498,371	4,602,719
Advances on contracts	851,504	700,900
Deferred cost	181,116	620,041
Prepaid expenses and other current assets	746,491	291,929
Total current assets	11,499,244	13,344,802
Furniture, fixtures & equipment net of accumulated depreciation of $707,167 as of June 30, 2017 and $659,144 as of December 31, 2016	170,552	159,026
Patents, net of accumulated amortization of $809,332 as of June 30,2017 and $717,086 as of December 31, 2016	625,092	660,457
Notes receivable, financing transaction long term	775,000	-
Other assets	26,878	17,355
Total assets	$ 13,096,766	$ 14,181,640
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 985,736	$ 1,341,207
Accounts payable related party	381,432	1,235,052
Accrued expenses and other payables	1,652,144	1,436,262
Deferred profit, related party	659,931	630,990
Deferred revenue	356,400	1,001,800
Total current liabilities	4,035,643	5,645,311
Deferral from financing transaction	1,400,000	-
Total liabilities	5,435,643	5,645,311
Commitments and Contingencies		
Stockholders' Equity		
Series A convertible preferred stock, par value $.001, authorized 5,000,000 shares, 33,333 shares held in the treasury, and 7,000 shares issued and outstanding as June 30, 2017 and December 31, 2016	7	7

Common stock, par value $.001; authorized 50,000,000 shares; 31,376,699 shares issued, 1,361,071 shares to be issued and 31,343,366 shares outstanding as of June 30, 2017; 30,457,224 shares issued, 1,270,481 shares to be issued and 30,423,891 shares outstanding as of December 31, 2016	32,736	31,720
Additional paid-in capital	83,600,384	82,761,503
Accumulated deficit	(75,365,184)	(73,381,491)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity	7,356,427	8,500,223
Noncontrolling interest	304,696	36,106
Total Equity	7,661,123	8,536,329
Total liabilities and stockholders' equity	$ 13,096,766	$ 14,181,640

MILESTONE SCIENTIFIC INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenue				
Product sales, net	$ 2,523,750	$ 2,371,710	$ 6,212,738	$ 5,836,196
Cost of products sold	873,586	789,801	2,275,871	2,157,990
Gross profit	1,650,164	1,581,909	3,936,867	3,678,206
Selling, general and administrative expenses	3,082,534	3,290,998	5,790,161	6,292,109
Research and development expenses	120,065	309,335	225,080	452,780
Total operating expenses	3,202,599	3,600,333	6,015,241	6,744,889
Loss from operations	(1,552,435)	(2,018,424)	(2,078,374)	(3,066,683)
Other (expenses)	(1,024)	(1,004)	(1,763)	(1,936)
Interest income	2,154	-	2,442	-
Loss before provision for income tax and equity in net earnings of equity investments	(1,551,305)	(2,019,428)	(2,077,695)	(3,068,619)
Provision for income tax	(4,664)	(16,791)	(11,865)	(63,624)
Loss before equity in net earnings of equity investments	(1,555,969)	(2,036,219)	(2,089,560)	(3,132,243)
Profit or (loss) on equity investment in China Joint Venture	15,460	(57,882)	(28,941)	(222,719)
Profit or (loss)in equity investments	15,460	(57,882)	(28,941)	(222,719)
Net loss	(1,540,509)	(2,094,101)	(2,118,501)	(3,354,962)

Net loss attributable to noncontrolling interests	(61,684)	(507,262)	(134,808)	(976,308)
Net loss attributable to Milestone Scientific Inc.	$ (1,478,825)	$ (1,586,839)	$ (1,983,693)	$ (2,378,654)
Net loss per share applicable to common stockholders --				
Basic	$ (0.05)	$ (0.06)	$ (0.06)	$ (0.10)
Diluted	$ (0.05)	$ (0.06)	$ (0.06)	$ (0.10)
Weighted average shares outstanding and to be issued --				
Basic	32,399,997	25,989,857	32,122,482	24,362,441
Diluted	32,399,997	25,989,857	32,122,482	24,362,441

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Source: Milestone Scientific, Inc.