

May 15, 2017



Milestone Scientific Reports 53% Increase in Handpiece Sales Attributable to USA and Canada for the First Quarter of 2017

LIVINGSTON, NJ -- (Marketwired) -- 05/15/17 -- [Milestone Scientific Inc.](#) (NYSE MKT: MLSS), a medical R&D company that designs, patents, incubates and commercializes a growing portfolio of innovative injection technologies, today announced financial results for the first quarter ending March 31, 2017.

Leonard Osser, Chief Executive Officer of Milestone Scientific, stated, "I am pleased to report that we achieved a 53% increase in domestic handpiece sales in our dental business, as our exclusive distributor for the U.S. and Canada completed its product and sales force training in the first quarter and the exclusive product sales team has now begun rolling out our products nationwide. The increase in handpiece sales was partially offset by a decline in domestic instrument sales due to the timing of advance orders by our distributor late last year. We continue to see an increase in Europe and South America, which we anticipate will continue throughout the remainder of the year."

"We believe we are still on track to receive regulatory marketing clearance in the U.S. for our computer controlled epidural injection system. In advance of FDA market clearance, we are focusing on developing a Key Opinion Leader (KOL) network, which is essential to advance the full commercial roll-out of our epidural instrument to the global marketplace. As part of our Middle East product launch strategy, we recently received regulatory marketing clearance to sell our epidural instrument and disposable kit in Saudi Arabia. We also announced that we have received marketing clearance to sell our epidural and intra-articular instruments and disposables in Australia. Importantly, we are generating very positive feedback from key opinion leaders around the world. In fact, we are collaborating with several of these medical practitioners in Europe and the Middle East and North Africa (MENA) regions, regarding the use of our instrument for patients with complex co-morbidities as well as pediatric patients."

Revenue for the three months ended March 31, 2017 was \$3.7 million versus \$3.6 million for the first quarter of 2016. The increase in total revenue by approximately 3% was primarily related to the increase in instrument and handpieces sales to China. Domestic sales increased by approximately \$31,000 in 2017. International sales increased by approximately \$89,000 over the same period in 2016 principally due to a shipment of STA instruments to Milestone China. Gross profit for the first quarter of 2017 was \$2.3 million or 62% of revenue versus \$2.2 million or 62% of revenue in the first quarter of 2016. Net loss for the first quarter of 2017 was \$(0.5) million, or \$(0.02) per share, versus net loss of \$(0.8) million, or \$(0.03) per share, for the comparable period in 2016.

Conference Call

Milestone Scientific's executive management team will host a conference call at 11:00 AM Eastern Time on Tuesday, May 16, 2017 to discuss the Company's financial results for the first quarter ended March 31, 2017, as well as the Company's corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 800-930-1344 and entering the pass code 5758572 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 5758572. The replay will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (MLSS) is a medical R&D company that designs, patents, incubates and commercializes a growing portfolio of innovative injection technologies. 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

| | <u>March 31, 2017</u> | <u>December 31, 2016</u> |
|---------------|-----------------------|------------------------------|
| | (Unaudited) | (Audited) |
| <hr/> | | |
| ASSETS | | |

Current Assets:

| | | |
|---|----------------------|----------------------|
| Cash and cash equivalents | \$ 2,941,555 | \$ 3,602,229 |
| Accounts receivable, net of allowance for doubtful accounts of \$10,000 as of March 31, 2017 and December 31, 2016 | 1,626,566 | 802,384 |
| Accounts receivable from related party | 682,809 | 2,083,610 |
| Other receivable | - | 10,000 |
| Inventories | 4,533,834 | 4,602,719 |
| Advances on contracts | 862,014 | 700,900 |
| Deferred cost | 181,116 | 620,041 |
| Prepaid expenses and other current assets | 509,542 | 291,929 |
| Total current assets | <u>11,337,436</u> | <u>12,713,812</u> |
| Furniture, fixtures & equipment net of accumulated depreciation of \$676,144 as of March 31, 2017 and \$659,144 as of December 31, 2016 | 142,166 | 159,026 |
| Patents, net of accumulated amortization of \$734,768 as of March 31, 2017 and \$717,086 as of December 31, 2016 | 642,775 | 660,457 |
| Other assets | 26,878 | 17,355 |
| Total assets | <u>\$ 12,149,255</u> | <u>\$ 13,550,650</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

| | | |
|-------------------------------------|------------------|------------------|
| Accounts payable | \$ 889,050 | \$ 1,341,207 |
| Accounts payable related party | 1,082,304 | 1,235,052 |
| Accrued expenses and other payables | 1,294,353 | 1,436,262 |
| Deferred revenue | 356,400 | 1,001,800 |
| Total current liabilities | <u>3,622,107</u> | <u>5,014,321</u> |

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 of March 31, 2017 and December 31, 2016 | 7 | 7 |
| Common stock, par value \$.001; authorized 50,000,000 shares; 30,712,686 shares issued, 1,361,071 shares to be issued and 30,679,353 shares outstanding as of March 31, 2017; 30,457,224 shares issued, 1,270,481 shares to be issued and 30,423,891 shares outstanding as of December 31, 2016 | | |
| Additional paid-in capital | 32,073 | 31,720 |
| Accumulated deficit | 83,329,954 | 82,761,503 |
| Treasury stock, at cost, 33,333 shares | (73,886,359) | (73,381,491) |
| Total Milestone Scientific Inc. stockholders' equity | <u>(911,516)</u> | <u>(911,516)</u> |
| Noncontrolling interest | <u>8,564,159</u> | <u>8,500,223</u> |
| Total Equity | <u>(37,011)</u> | <u>36,106</u> |
| Total liabilities and stockholders' equity | <u>\$ 12,149,255</u> | <u>\$ 13,550,650</u> |

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

| | <u>March 31, 2017</u> | <u>March 31, 2016</u> |
|---|-----------------------|-----------------------|
| Revenue | | |
| Product sales, net | \$ 3,688,988 | \$ 3,569,374 |
| Cost of products sold | <u>1,402,285</u> | <u>1,368,190</u> |
| Gross profit | <u>2,286,703</u> | <u>2,201,184</u> |
| Selling, general and administrative expenses | 2,707,620 | 3,001,130 |
| Research and development expenses | <u>105,015</u> | <u>143,442</u> |
| Total operating expenses | <u>2,812,635</u> | <u>3,144,572</u> |
| Loss from operations | <u>(525,932)</u> | <u>(943,388)</u> |
| Other (expenses) | <u>(1,209)</u> | <u>(1,237)</u> |
| Interest income | <u>758</u> | <u>302</u> |
| Loss before provision for income tax and equity in net earnings of equity investments | <u>(526,383)</u> | <u>(944,323)</u> |
| Provision for income tax | <u>(7,201)</u> | <u>(46,834)</u> |
| Loss before equity in net earnings of equity investments | <u>(533,584)</u> | <u>(991,157)</u> |
| Loss on earnings from China Joint Venture | <u>(44,401)</u> | <u>(269,726)</u> |
| Loss in equity investments | <u>(44,401)</u> | <u>(269,726)</u> |
| Net Loss | <u>(577,985)</u> | <u>(1,260,883)</u> |
| Net loss attributable to noncontrolling interests | <u>(73,117)</u> | <u>(510,824)</u> |
| Net loss attributable to Milestone Scientific Inc. | <u>\$ (504,868)</u> | <u>\$ (750,059)</u> |
| Net loss per share applicable to common stockholders - | | |
| Basic | <u>\$ (0.02)</u> | <u>\$ (0.03)</u> |
| Diluted | <u>\$ (0.02)</u> | <u>\$ (0.03)</u> |
| Weighted average shares outstanding and to be issued - | | |
| Basic | <u>32,004,548</u> | <u>22,609,349</u> |
| Diluted | <u>32,004,548</u> | <u>22,609,349</u> |

Contact:

David Waldman or Natalya Rudman
Crescendo Communications, LLC
Email: mlss@crescendo-ir.com
Tel: 212-671-1020

Source: Milestone Scientific, Inc.