

August 15, 2019



Milestone Scientific Provide Business Update and Reports Financial Results for the Second Quarter of 2019

LIVINGSTON, NJ / ACCESSWIRE / August 15, 2019 / Milestone Scientific Inc. (NYSE American:MLSS) a leading developer of computerized drug delivery instruments that provide painless and precise injections, today provided a business update and announced financial results for the second quarter and six months ending June 30, 2019.

Leonard Osser, Interim Chief Executive Officer of Milestone Scientific, commented, "We have made substantial progress advancing our commercial efforts around the CompuFlo® Epidural system. At the same time, our Wand Dental subsidiary remains cash flow positive on a standalone basis with continued growth opportunities. Although revenues within our Wand Dental subsidiary declined slightly from the same period last year, this was due to a one-time order in 2018 from an overseas distributor. Moreover, we reported an 18% sequential increase in revenue versus the first quarter of 2019."

"A key element in our strategy to accelerate market adoption of the CompuFlo® Epidural system is entering the medical education market. In May, we unveiled the new CompuFlo® Epidural Trainer and educational suite to thousands of anesthesia professionals at the Euroanesthesia 2019 Congress, Europe's largest annual event showcasing the latest knowledge in the field of anesthesia. By providing a complete training solution, medical residency programs and simulation labs are now able to accelerate the procedure's learning curve by reducing stress, uncertainty and the number of attempts to locate the epidural space. We also announced that the CompuFlo® Epidural system was featured in two research abstracts at the Euroanesthesia 2019 Congress. The abstracts were presented during scientific poster sessions highlighting how CompuFlo's objective detection of tissue pressure makes challenging procedures with difficult patients more efficient and how it accelerates clinical competency for trainees."

"Most recently, we signed a distribution agreement for the CompuFlo® Epidural System with Paragon Care Limited, a leading provider of medical equipment, devices and consumables in Australia. Australia is a large market, as epidural anesthesia is used in one third of the approximately 300,000 births in Australia each year. We believe Paragon Care is the perfect partner as they have strong connections and a deep reach into Australian hospitals and medical schools."

For the three months ended June 30, 2019 and 2018, revenues were approximately \$2.3 million and \$2.4 million, respectively. The decrease of approximately \$171,000 is primarily due to a non-recurring order for handpieces and devices in 2018 from a distributor in Mexico of approximately \$400,000. Gross profit for the second quarter ended June 30, 2019 was approximately \$1.5 million, or 67% of revenue, versus approximately \$1.4 million, or 58% of revenue for the second quarter ended June 30, 2018. Gross profit for the three months ended June 30, 2018 included an inventory reserve expense of \$290,000. Operating loss for the three months ended June 30, 2019 was approximately \$(1.1) million versus approximately \$(1.4) million for the quarter ended June 30, 2018. The decrease in the operating loss is due to the increase in gross profit and a reduction in general and administration expenses of approximately \$300,000, partially offset by an increase of approximately \$100,000 in research and development expense. Net loss for the three months ended June 30, 2019 was approximately \$(1.0) million, or \$(0.02) per share, versus a net loss of \$(1.3) million, or \$(0.04) per share, in the prior period.

For the six months ended June 30, 2019 and 2018, revenues were approximately \$4.2 million and \$4.2 million, respectively. Dental revenue for the six months ended June 30, 2018 included a non-recurring order for handpieces and devices in 2018 from a distributor in Mexico of approximately \$400,000. Gross profit for the first six months of 2019 was \$2.8 million or 67% of revenue versus \$2.6 million or 63% of revenue for the first six months of 2018. Operating loss for the first six months of 2019 was approximately \$(1.9) million versus approximately \$(3.4) million for the first six months of 2018. The decrease in operating loss is due to the increase in gross profit, reduction in general and administrative expenses of approximately \$1.2 million and reduction in research and development expenses of approximately \$135,000. Net loss for the first six months of 2019 was \$(1.8) million, or \$(0.04) per share, versus net loss of \$(3.2) million, or \$(0.09) per share, for the comparable period in 2018.

Conference Call

Milestone Scientific's executive management team will host a conference call at 8:30 AM Eastern Time on Friday, August 16, 2019 to discuss the Company's financial results for the second quarter ended June 30, 2019, as well as the Company's corporate progress and other developments.

The conference call will be available on the Company's website at www.milestonescientific.com, or via telephone by dialing toll free 888-394-8218 and entering the pass code: 7780393. 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 7780393. The replay will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (MLSS) is a biomedical technology research and development company that patents, designs and develops innovative diagnostic and therapeutic injection technologies and instruments for medical, dental, cosmetic and veterinary applications. Milestone's computer-controlled systems are designed to make injections precise, efficient, and virtually painless. Milestone's proprietary DPS Dynamic Pressure Sensing technology[®] is our technology platform that advances the development of next-generation devices, regulating flow rate and monitoring pressure from the tip of the needle, through platform extensions for local anesthesia for subcutaneous drug delivery, with specific applications for cosmetic botulinum toxin injections, epidural space identification in regional anesthesia procedures and intra-articular joint injections. 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, timing of regulatory approvals 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, future business decisions and regulatory developments, 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, 2018. 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.

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Contact:

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

MILESTONE SCIENTIFIC AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	June 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,337,593	\$ 743,429
Accounts receivable, net	1,658,919	1,978,456
Accounts receivable, related party, net	-	100,000
Prepaid expenses and other current assets	406,563	414,541
Deferred cost, related party	-	50,000
Inventories, net	1,270,480	1,921,051

Advances on contracts	530,114	648,783
Operating lease-right of use assets	92,830	-
Total current assets	<u>6,296,499</u>	<u>5,856,260</u>
Furniture, fixtures and equipment, net	65,668	82,557
Patents, net	408,767	435,273
Other assets	17,355	26,878
Total assets	<u>\$ 6,788,289</u>	<u>\$ 6,400,968</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,192,823	\$ 1,205,396
Accounts payable, related party	1,283,367	1,663,849
Accrued expenses and other payables	1,464,846	1,481,715
Accrued expenses, related party	125,428	-
Operating lease liabilities-current	92,830	-
Deferred profit, related party	372,700	421,800
Deferred revenue, related party	-	100,000
Derivative liability	1,418,863	-
Total current liabilities	<u>5,950,857</u>	<u>4,872,760</u>
Total liabilities	<u>\$ 5,950,857</u>	<u>\$ 4,872,760</u>
Commitments and contingencies		
Stockholders' equity		
Series A convertible preferred stock, par value \$.001, authorized 5,000,000 shares, 0 and 7,000 shares issued and outstanding as of June 30, 2019 and December 31, 2018.	\$ -	\$ 7
Common stock, par value \$.001; authorized 50,000,000 shares; 47,132,220 shares issued, 0 shares to be issued and 47,098,886 shares outstanding as of June 30, 2019 ; 33,859,034 shares issued, 2,470,565 shares to be issued and 33,825,701 shares outstanding as of December 31, 2018;	47,132	36,330
Additional paid in capital	89,559,585	88,414,718
Accumulated deficit	(87,823,965)	(85,999,929)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity	<u>871,236</u>	<u>1,539,610</u>
Noncontrolling interest	(33,804)	(11,402)
Total stockholders' equity	<u>\$ 837,432</u>	<u>\$ 1,528,208</u>
Total liabilities and stockholders' equity	<u>\$ 6,788,289</u>	<u>\$ 6,400,968</u>

MILESTONE SCIENTIFIC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	For the six months ended June 30, 2019	For the six months ended June 30, 2018
Product sales, net	\$ 2,257,851	\$ 2,428,498	\$ 4,173,759	\$ 4,234,103
Cost of products sold	752,183	1,021,573	1,370,876	1,584,250
Gross profit	<u>1,505,668</u>	<u>1,406,925</u>	<u>2,802,883</u>	<u>2,649,853</u>
Selling, general and administrative expenses	2,517,970	2,821,837	4,627,023	5,840,601
Research and development expenses	95,529	9,775	101,875	235,592
Total operating expenses	<u>2,613,499</u>	<u>2,831,612</u>	<u>4,728,898</u>	<u>6,076,193</u>
Loss from operations	(1,107,831)	(1,424,687)	(1,926,015)	(3,426,340)
Other expenses	(2,563)	(1,756)	(4,825)	(3,457)
Interest income	188	1,926	1,207	4,590
Change in fair value of derivative liability	12,462	-	52,722	-

Loss before provision for income taxes and net losses of equity investments	(1,097,744)	(1,424,517)	(1,876,911)	(3,425,207)
Provision for income taxes	(14,163)	(4,075)	(18,627)	(15,538)
Loss before equity in net earnings (losses) of equity investments	(1,111,907)	(1,428,592)	(1,895,538)	(3,440,745)
(income)loss from earnings from China Joint Venture	(58,664)	(78,591)	(49,100)	(115,374)
Net loss	(1,053,243)	(1,350,001)	(1,846,438)	(3,325,371)
Net loss attributable to noncontrolling interests	11,959	6,994	22,402	108,657
Net loss attributable to Milestone Scientific Inc.	(1,041,284)	(1,343,007)	(1,824,036)	(3,216,714)
Net loss per share applicable to common stockholders-				
Basic	\$ (0.02)	\$ (0.04)	\$ (0.04)	\$ (0.09)
Diluted	\$ (0.02)	\$ (0.04)	\$ (0.04)	\$ (0.09)
Weighted average shares outstanding and to be issued-				
Basic	45,366,237	35,297,906	41,904,581	34,939,306
Diluted	45,366,237	35,297,906	41,904,581	34,939,306

SOURCE: Milestone Scientific, Inc.

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