

November 9, 2016



Milestone Scientific Reports 30% Increase in Revenue for the Third Quarter of 2016; Reports Clinical and Commercial Progress Towards Planned Launch of Epidural Instrument

LIVINGSTON, NJ -- (Marketwired) -- 11/09/16 -- [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 third quarter ending September 30, 2016.

Leonard Osser, Chief Executive Officer of Milestone Scientific stated, "I am pleased to report that we achieved a 30% increase in sales of our dental business, due in large part to growing sales in China. Through Milestone China, we are establishing a broad distribution network across China, which we anticipate will help drive our dental instrument and handpiece sales in the months and years ahead. On the domestic front, we experienced temporary weakness due to a shift in our sales and distribution strategy. However, as a result of these initiatives, we expect to resume growth in domestic dental instrument sales next year. Importantly, our dental division continues to generate positive cash flow on a standalone basis."

Mr. Osser continued, "We have successfully completed clinical trials for our epidural instrument in the United States, and have submitted our 510(K) application for marketing clearance with the FDA. We are now moving forward with preparations for the full commercial roll-out of our computer controlled epidural injection system to the global marketplace. Given our progress, it was important to bring in additional resources to the senior management team, including James McAvinn as Senior Vice President of Sales & Marketing and Aušra Burnienė as Senior Sales & Marketing Consultant. Both of these executives bring industry knowledge and relationships that should allow us to establish world-wide distribution networks for our medical instruments."

"We have expanded our relationship with MILA International, Inc. ("MILA"), a leading global designer, manufacturer, marketer and distributor of veterinary products, following completion of the pilot study of our CompuFlo® instrument by Cornell University College of Veterinary Medicine. The controlled pilot study of 10 animals confirmed that our instrument can identify a target with a high level of accuracy when performing a maxillary foramen block in a horse. In August, we entered into a distribution agreement with MILA to market and distribute our anesthetic delivery instrument for maxillary nerve block procedures in horses. We believe MILA is an ideal partner given its established presence in the \$24 billion global animal health industry. Moreover, the fact the agreement includes minimums, underscores their confidence in the market potential for our instrument across a wide range of veterinary applications. At

the same time, we are advancing our platform technology across other indications, such as our cosmetic and ophthalmic instruments."

Revenue for the three months ended September 30, 2016 was \$3.2 million versus \$2.5 million for the third quarter of 2015. The increase in total revenue by approximately \$727,000 or 30% was primarily related to the increase in instrument and handpieces sales to China. Domestic sales in the United States decreased by approximately \$581,000 in 2016 as Henry Schein continued to introduce our instrument to the market and sell down their current inventory. International sales increased by approximately \$1.3 million due to an increase in instrument and handpiece sales to China. Gross profit for the third quarter of 2016 was \$1.7 million or 52% of revenue versus \$1.7 million or 68% of revenue in the third quarter of 2015. The decrease in gross profit percentage reflects the increased sales to China, which have a lower gross margin. Net loss for the third quarter of 2016 was \$(1.7) million, or \$(0.05) per share, versus net loss of \$(1.6) million, or \$(0.07) per share, for the comparable period in 2015.

Revenue for the nine months ended September 30, 2016 was \$8.9 million versus \$7.0 million for the nine months ended September 30, 2015. The increase in revenue of approximately \$2 million or 28% was due to the increase in instrument sales worldwide. Domestic sales in the United States increased by approximately \$349,000 in 2016. This increase in revenue relates to sales of both STA instruments and handpieces. International instrument sales increased approximately \$1.7 million over the same period in 2015 due to increased instrument and handpiece sales to China. Sales of handpieces decreased by \$274,000 over the same period in 2015 as our distributors sell through their previously purchased handpieces. Gross profit for the nine months ended September 30, 2016 was \$5.3 million or 59% of revenue versus \$4.7 million or 67% of revenue for the nine months ended September 30, 2015. Net loss for the nine months ended September 30, 2016 was \$(4.2) million, or \$(0.16) per share, versus a net loss of \$(4.1) million, or \$(0.19) per share, for the comparable period in 2015.

Conference Call

Milestone Scientific's executive management team will host a conference call at 8:00 AM Eastern Time on Thursday, November 10, 2016 to discuss the Company's financial results for the third quarter ended September 30, 2016, as well as the Company's corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 800-239-9838 and entering the pass code 6992060 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 6992060. 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, 2015. 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.

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
NINE MONTHS ENDED SEPTEMBER 30, 2016
(Unaudited)

	September 30, 2016	December 31, 2015
	(unaudited)	(audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 2,322,705	\$ 4,194,384
Accounts receivable, net of allowance for doubtful accounts of \$10,000 as of September 30, 2016 and \$5,000 as of December 31, 2015	2,553,186	1,863,582
Other receivable	-	58,140
Inventories	4,319,255	4,258,094
Advances on contracts	1,268,694	1,215,128
Prepaid expenses and other current assets	276,903	304,604
Total current assets	10,740,743	11,893,932
Investment in Milestone Education LLC	-	16,346
Furniture, fixtures & equipment net of accumulated depreciation of \$636,265 as of September 30, 2016 and \$566,477 as of December 31, 2015	181,906	235,935
Patents, net of accumulated amortization of \$699,405 as of September 30, 2016 and \$646,388 as of December 31, 2015	678,139	715,540
Other assets	17,355	17,355
Total assets	\$ 11,618,143	\$ 12,879,108

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:			
Accounts payable	\$	2,273,585	\$ 2,088,268
Accrued expenses and other payables		1,741,806	1,555,567
Other liabilities		381,113	69,781
Total current liabilities		4,396,504	3,713,616
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 September 30, 2016 and December 31, 2015			
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Common stock, par value \$.001; authorized 50,000,000 shares; 28,066,666 shares issued, 1,145,481 shares to be issued and 28,033,333 shares outstanding as of September 30, 2016; 21,720,497 shares issued, 963,451 shares to be issued and 21,687,164 shares outstanding as of December 31, 2015			
		29,213	22,685
Additional paid-in capital		79,477,418	78,632,383
Accumulated deficit		(71,642,654)	(67,434,984)
Treasury stock, at cost, 33,333 shares		(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity		6,952,468	10,308,575
Noncontrolling interest		269,171	(1,143,083)
Total Equity		7,221,639	9,165,492
Total liabilities and stockholders' equity	\$	11,618,143	\$ 12,879,108

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
NINE MONTHS ENDED SEPTEMBER 30, 2016
(Unaudited)

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Product sales, net	\$ 3,186,596	\$ 2,459,958	\$ 8,973,726	\$ 6,996,921
Cost of products sold	1,517,561	794,285	3,675,552	2,298,162
Gross profit	1,669,035	1,665,673	5,298,174	4,698,759
Selling, general and administrative expenses	2,933,950	2,480,354	9,226,062	6,969,332
Research and development expenses	303,268	20,676	756,045	49,616
Total operating expenses	3,237,218	2,501,030	9,982,107	7,018,948
Loss from operations	(1,568,183)	(835,357)	(4,683,933)	(2,320,189)
Interest expense	(846)	(1,043)	(2,782)	(961)

Loss before provision for income tax and equity in net earnings of equity investments	<u>(1,569,029)</u>	<u>(836,400)</u>	<u>(4,686,715)</u>	<u>(2,321,150)</u>
Provision for income tax	<u>(16,522)</u>	<u>(27,105)</u>	<u>(80,147)</u>	<u>(40,751)</u>
Loss before equity in net earnings of equity investments	(1,585,551)	(863,505)	(4,766,862)	(2,361,901)
Loss on earnings from Milestone Medical	-	(590,612)	-	(1,566,711)
Income (Loss) on earnings from Education Joint Venture	-	2,343	-	(5,493)
Loss on earnings from China Joint Venture	<u>(253,451)</u>	<u>(123,083)</u>	<u>(554,766)</u>	<u>(187,062)</u>
Loss in equity investments	<u>(253,451)</u>	<u>(711,352)</u>	<u>(554,766)</u>	<u>(1,759,266)</u>
Net Loss	<u>(1,839,002)</u>	<u>(1,574,857)</u>	<u>(5,321,628)</u>	<u>(4,121,167)</u>
Net loss attributable to noncontrolling interests	<u>(137,752)</u>	<u>(5,655)</u>	<u>(1,113,958)</u>	<u>(59,642)</u>
Net loss attributable to Milestone Scientific Inc.	<u>\$ (1,701,250)</u>	<u>\$ (1,569,202)</u>	<u>\$ (4,207,670)</u>	<u>\$ (4,061,525)</u>
Net loss per share applicable to common stockholders-				
Basic	<u>\$ (0.05)</u>	<u>\$ (0.07)</u>	<u>\$ (0.16)</u>	<u>\$ (0.19)</u>
Diluted	<u>\$ (0.05)</u>	<u>\$ (0.07)</u>	<u>\$ (0.16)</u>	<u>\$ (0.19)</u>
Weighted average shares outstanding and to be issued-				
Basic	<u>29,155,712</u>	<u>21,418,145</u>	<u>25,965,566</u>	<u>21,375,317</u>
Diluted	<u>29,155,712</u>	<u>21,418,145</u>	<u>25,965,566</u>	<u>21,375,317</u>

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