

March 30, 2020



Milestone Scientific Provides 2019 Year-End Business Update; Reports Progress on Commercial Rollout of CompuFlo Epidural System

LIVINGSTON, NJ / ACCESSWIRE / March 30, 2020 / 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 year ended December 31, 2019.

Leonard Osser, Interim Chief Executive Officer of Milestone Scientific, commented, "We have made significant strides in 2019 in order to commercialize our CompuFlo® Epidural System in 2020. During the year, we successfully trialed our CompuFlo® Epidural System in multiple hospitals and medical schools-placing the system with key opinion leaders, continuing important clinical studies and working with anesthesiologists in the U.S. and Europe. We also completed and published nine clinical studies, which further validated the CompuFlo® Epidural System's ability to safely and effectively identify the epidural space. Our unique, computer-controlled, real-time pressure-sensing technology provides anesthesiologists an objective and quantifiable technique to build confidence and success."

"We have begun speaking with Group Purchasing Organizations (GPO) in order to obtain approval of the CompuFlo® Epidural System within their facilities. The GPOs represent a sizable opportunity since some of these groups have hundreds of hospitals within their network. Once we get an approval, it should shorten the sales cycle and open us up to larger markets. Our studies thus far have shown significant reductions in epidural punctures and complication rates by using the CompuFlo® Epidural System. Studies have shown that our technology not only benefits patients but also should lower the cost associated with treating complications such as dural punctures."

"Turning to our dental business, we saw a decrease in sales, which was largely related to a decrease in sales to China. However, in the U.S., our exclusive distribution agreement with Henry Schein continues to pay off as the sales have been consistent throughout the year. Due to the current Covid-19 pandemic and the reduced hours and closings of dental offices throughout the country and the rest of the world, we anticipate that our revenue for the second quarter, and possibly the third quarter, may be affected. However, at this point in time it is too early to determine an estimate of what the second or third quarter impact will be, or the effect Covid-19 may have on our fourth quarter revenue."

"We continue to evolve and innovate our technology. In the beginning of 2020, we announced that we received a Notice of Allowance from the U.S. Patent and Trademark Office for a key patent on the CompuWave technology, which is being integrated into the CompuFlo® Epidural System. This advanced and breakthrough technology provides further

verification of epidural placement and real-time notification of obstruction or displacement of a catheter. This patent provides IP protection around the CompuFlo instrument for another 20 years, which further enhances our position at the forefront of the computerized injection market. We remain encouraged by the outlook for our company and look forward to providing further updates as they unfold."

For the years ended December 31, 2019 and 2018, revenues were approximately \$8.4 million and \$9.6 million, respectively. Gross profit for the year ended December 31, 2019 was \$5.7 million or 68% of revenue versus \$4.4 million or 46% of revenue for the year ended December 31, 2018. During 2018, the Company recorded a reserve of approximately \$1.2 million for the underlying inventory associated with deferred cost due to Milestone China's market under performance and liquidity constraints. Operating loss for the year ended December 31, 2019 was approximately \$(3.9) million versus approximately \$(7.9) million for the year ended December 31, 2018. Operating loss for 2018 included a \$1.5 million impairment of long-lived assets related to non-core patents. In 2019, the Company incurred a non-cash expense of approximately \$3.65 million due to the shares and warrants issued in the public and private offerings as well as other issuance of common stock during 2019 for which the Company did not have a sufficient number of authorized shares of common stock to cover the exercise and issuance of approximately 5,850,000 outstanding equity instruments. After the impact of the derivative liability, the net loss was approximately \$(7.5) million, or \$(0.16) per share for the year ended December 31, 2019, versus net loss of \$(7.4) million, or \$(0.21) 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 Tuesday, March 31, 2020 to discuss the Company's financial results for the full year ending December 31, 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 877-407-0778 for U.S. callers, or +1 201-689-8565 for international callers. A webcast will also be archived on the Company's website and a telephone replay of the call will be available approximately one hour following the call, through Tuesday, April 14, 2020, and can be accessed by dialing 877-481-4010 for U.S. callers, or +1 919-882-2331 for international callers and entering the pass code 33928.

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:

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.

MILESTONE SCIENTIFIC AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	December 31, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,516,272	\$ 743,429
Accounts receivable, net	1,710,665	1,978,456
Accounts receivable, related party, net	-	100,000
Prepaid expenses and other current assets	519,063	414,541
Deferred cost, related party	-	50,000
Inventories, net	1,620,509	1,921,051
Advances on contracts	710,662	648,783
Operating lease-right of use assets	15,977	-
Total current assets	6,093,148	5,856,260
	44,976	82,557
Furniture, fixtures and equipment, net		
Patents, net	382,260	435,273
Other assets	35,905	26,878
Total assets	<u>\$ 6,556,289</u>	<u>\$ 6,400,968</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,379,425	\$ 1,059,186
Accounts payable, related party	1,358,752	1,810,058
Accrued expenses and other payables	775,055	794,918

Accrued expenses, related party	1,057,957	686,798
Operating lease liabilities	15,977	-
Deferred profit, related party	340,476	421,800
Deferred revenue, related party	-	100,000
Total current liabilities	4,927,642	4,872,760
Total liabilities	<u>\$ 4,927,642</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 December 31, 2019 and 2018.	\$ -	\$ 7
Common stock, par value \$.001; authorized 75,000,000 shares; 49,410,176 shares issued and 49,376,843 shares outstanding as of December 31, 2019; 33,859,034 shares issued, 2,470,565 shares to be issued, and 33,825,701 shares outstanding as of December 31, 2018;	49,410	36,330
Additional paid in capital	96,082,324	88,414,718
Accumulated deficit	(93,524,297)	(85,999,929)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity	1,695,921	1,539,610
Noncontrolling interest	(67,274)	(11,402)
Total stockholders' equity	<u>\$ 1,628,647</u>	<u>\$ 1,528,208</u>
Total liabilities and stockholders' equity	<u>\$ 6,556,289</u>	<u>\$ 6,400,968</u>

**MILESTONE SCIENTIFIC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Product sales, net	\$ 8,374,501	\$ 9,622,076
Cost of products sold	2,656,142	5,190,775
Gross profit	5,718,359	4,431,301
Selling, general and administrative expenses	9,527,429	10,645,206
Research and development expenses	189,923	245,636
Impairment of long-lived assets	-	1,539,794
Total operating expenses	9,717,352	12,430,636
Loss from operations	(3,998,993)	(7,999,335)
Other expenses	(10,408)	(7,232)
Interest income	1,543	7,447
Change in fair value of derivative liabilities	(3,635,580)	-
Loss before provision for income taxes and net of equity investments	(7,643,438)	(7,999,120)
Provision for income taxes	(18,126)	(23,986)
Loss before equity in net earnings of equity investments	(7,661,564)	(8,023,106)

Earnings from Milestone Education	-	(1,635)
Earnings from Milestone China	(81,324)	(329,700)
Net loss	(7,580,240)	(7,691,771)
Net loss attributable to noncontrolling interests	55,872	260,126
Net loss attributable to Milestone Scientific Inc.	(7,524,368)	(7,431,645)
Net loss per share applicable to common stockholders-		
Basic	\$ (0.16)	\$ (0.21)
Diluted	\$ (0.16)	\$ (0.21)
Weighted average shares outstanding and to be issued-		
Basic	45,740,050	35,299,034
Diluted	45,740,050	35,299,034

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