

April 1, 2021



Milestone Scientific Provides 2020 Year-End Business Update; Reports a 78% Sequential Increase in Revenue for Q4 2020 Versus Q3 2020

Milestone Scientific Reports Continued Progress on Commercial Rollout of CompuFlo Epidural System

ROSELAND, N.J., April 01, 2021 (GLOBE NEWSWIRE) -- **Milestone Scientific Inc. (NYSE: 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 full year ending December 31, 2020.

Arjan Haverhals, President of Milestone Scientific and CEO of Wand Dental Inc., stated, "I am pleased to report that our revenue for the fourth quarter of 2020 increased sequentially by approximately \$1 million, or 78% versus the third quarter of 2020. Importantly, we carefully managed our operating expenses during the year and reduced our net loss. We achieved these strong results despite the impact of COVID-19, which shows that we are successfully navigating the pandemic and are on a growth trajectory. Our sales initiatives are working. We expanded our dental distribution network to seven independent distributors in the U.S., plus a new distributor in Canada. Through our new decentralized sales strategy, we accomplished our goal of building a robust distribution network in the U.S. We are encouraged by the growing interest in our dental instrument, and we expect our growth within the dental business to continue in 2021."

"At the same time, we have made significant progress over the past year advancing our commercial efforts around the CompuFlo® Epidural Instrument and CathCheck™ System. Specifically, we have added new distributors and begun to penetrate key hospitals with our CompuFlo® Epidural Instrument and we expect this trend to continue as we anticipate adding additional hospitals in 2021. A key element of our sales strategy focuses on the disposable components of our system, which we believe will contribute to high margins and recurring revenue. We're also expanding our medical sales force, and now that new protocols are in place at hospitals, we are better able to enter the hospitals and have commenced a number of new pilot programs. Overall, the response from both hospitals and physicians has been positive and we are in a number of trials across the country that have the potential to convert to additional commercial orders this year."

Leonard Osser, Interim Chief Executive Officer, further noted, "We have a strong cash runway with over \$14 million of cash, cash equivalents and other short-term investments as of December 31, 2020. In addition, the proceeds from the recent exercise of warrants strengthens our balance sheet with an additional \$4 million of cash since November 2020. This liquidity, combined with our improved cash flow, should help accelerate our sales and

marketing activities around both our dental and medical instruments. We believe the strength of our balance sheet provides us substantial runway to advance the development and commercialization of other indications for our proprietary DPS Dynamic Pressure Sensing Technology. We believe this technology platform is quite broad with multiple indications in large and underserved markets.”

For the years ended December 31, 2020 and 2019, revenues were approximately \$5.4 million and \$8.3 million, respectively. Dental revenues decreased by approximately \$2.9 million, due to the impact of the COVID-19 pandemic on the Company’s customers and other business partners. Gross profit for the year ended December 31, 2020 was \$3.6 million or 67% of revenue versus \$5.7 million or 68% of revenue for the year ended December 31, 2019. Operating loss for the year ended December 31, 2020 was approximately \$(7.5) million versus approximately \$(4.0) million for the year ended December 31, 2019. Net loss was approximately \$(7.3) million, or \$(0.12) per share for the year ended December 31, 2020, versus net loss of \$(7.5) million, or \$(0.16) per share, for the comparable period in 2019.

Conference Call

Milestone Scientific’s executive management team will host a conference call at 4:30 PM Eastern Time on Thursday, April 1, 2021 to discuss the Company’s financial results for the full year ending December 31, 2020, as well as the Company’s corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 1- 877-407-0778 for U.S. callers or 201-689-8565 for international callers. A webcast of the call may be accessed [here](https://www.milestonescientific.com/) or on the Company’s website at <https://www.milestonescientific.com/>.

An audio replay of the of the call will be available through April 15, 2021 and can be accessed by dialing 877-481-4010 for U.S callers or 919-882-2331 for international callers and by entering the access code: 40609.

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, 2020. 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 AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,223,917	\$ 1,516,272
Accounts receivable, net	1,080,656	1,710,665
Prepaid expenses and other current assets	415,915	519,063
Inventories, net	2,420,179	1,620,509
Advances on contracts	414,202	710,662
Total current assets	18,554,869	6,077,171
Furniture, fixtures and equipment, net	30,729	44,976
Intangibles, net	329,249	382,260
Right of use assets	632,453	15,977
Other assets	24,150	35,905
Total assets	\$ 19,571,450	\$ 6,556,289
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 482,972	\$ 1,379,425
Accounts payable, related party	385,138	1,358,752
Accrued expenses and other payables	824,454	775,055
Accrued expenses, related party	586,734	1,057,957
Current portion of finance leases liabilities	7,796	3,904
Current portion of operating lease right-of-use liabilities	72,031	12,073
Deferred profit, related party	242,589	340,476
Note payable	276,180	-

Total current liabilities	2,877,894	4,927,642
Finance lease liabilities	28,607	-
Operating lease liabilities	557,981	-
Total liabilities	<u>\$ 3,464,482</u>	<u>\$ 4,927,642</u>

Commitments and contingencies

Stockholders' equity

Common stock, par value \$.001; authorized 85,000,000 shares; 64,171,435 shares issued and 64,138,102 shares outstanding as of December 31, 2020; 49,410,176 shares issued and 49,376,843 shares outstanding as of December 31, 2019;	64,171	49,410
Additional paid in capital	117,934,696	96,082,324
Accumulated deficit	(100,885,957)	(93,524,297)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity	<u>16,201,394</u>	<u>1,695,921</u>
Noncontrolling interest	(94,426)	(67,274)
Total stockholders' equity	<u>\$ 16,106,968</u>	<u>\$ 1,628,647</u>
Total liabilities and stockholders' equity	<u>\$ 19,571,450</u>	<u>\$ 6,556,289</u>

MILESTONE SCIENTIFIC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Product sales, net	\$ 5,437,236	\$ 8,374,501
Cost of products sold	1,815,924	2,656,142
Gross profit	<u>3,621,312</u>	<u>5,718,359</u>
Selling, general and administrative expenses	10,766,580	9,527,429
Research and development expenses	307,850	189,923
Total operating expenses	<u>11,074,430</u>	<u>9,717,352</u>
Loss from operations	(7,453,118)	(3,998,993)
Other expenses	(24,790)	(10,408)
Interest income	6,709	1,543
Change in fair value of derivative liability	-	(3,635,580)
Loss before provision for income taxes and net of equity investments	<u>(7,471,199)</u>	<u>(7,643,438)</u>
Provision for income taxes	(15,500)	(18,126)
Loss before equity in net earnings of equity investments	<u>(7,486,699)</u>	<u>(7,661,564)</u>
Earnings from equity method investment	97,887	81,324

Net loss	(7,388,812)	(7,580,240)
Net loss attributable to noncontrolling interests	<u>51,539</u>	<u>55,872</u>
Net loss attributable to Milestone Scientific Inc.	(7,337,273)	(7,524,368)
Net loss per share applicable to common stockholders—		
Basic	\$ (0.12)	\$ (0.16)
Diluted	\$ (0.12)	\$ (0.16)
Weighted average shares outstanding and to be issued—		
Basic	63,061,358	45,740,050
Diluted	63,061,358	45,740,050

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Source: Milestone Scientific, Inc.