

November 17, 2020



Milestone Scientific Reports Seven-Fold Sequential Increase in Dental Sales for Q3 2020 Versus Q2 2020

ROSELAND, N.J., Nov. 17, 2020 (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 third quarter and nine months ending September 30, 2020.

Leonard Osser, Interim Chief Executive Officer of Milestone Scientific, commented, "This quarter, our dental business improved considerably as dental offices began to reopen across the country and around the world. Specifically, our dental sales increased more than seven-fold versus the second quarter of 2020. Importantly, our marketing initiatives and 'back to work' promotions have been well received, as we are working hard to address the needs of both dentists and their patients during the pandemic."

"With a number of hospitals re-opening to outside vendors, we are advancing our sales efforts and exploring new collaboration opportunities around the CompuFlo® Epidural System and CathCheck™. Most recently, we were awarded a group purchasing agreement with Premier, a leading group purchasing organization, with approximately 4,100 U.S. hospitals and 200,000 other providers within their network. This agreement is further validation of the growing awareness and importance of our instruments in improving health outcomes and lowering costs for healthcare institutions. At the same time, we are expanding our trials in major hospitals and medical schools, as well as partnering with key opinion leaders to approach the purchasing departments of hospitals together. We look forward to announcing additional agreements with several premier hospitals as soon as they are completed. Finally, we have a strong cash runway with over \$14 million of cash on hand as of September 30, 2020. This liquidity, combined with our improved cash flow, will support our ongoing activities, including accelerated marketing activities around both our dental and medical instruments."

For the three months ended September 30, 2020 and 2019, revenues were approximately \$1.2 million and \$1.9 million, respectively. Dental revenues decreased by approximately \$644,000, due to the impact of the COVID-19 pandemic on the Company's customers, suppliers, vendors, and other business partners. Gross profit for the third quarter ended September 30, 2020 was approximately \$836,000, or 67% of revenue, versus approximately \$1.4 million, or 72% of revenue for the third quarter ended September 30, 2019. Operating loss for the three months ended September 30, 2020 was approximately \$(1.5) million versus \$(1.0) million for the three months ending September 30, 2019. The increase in operating loss is due to decreased dental revenue. Net loss for the three months ended September 30, 2020 was approximately \$(1.5) million, or \$(0.02) per share, versus a net loss \$(2.8) million, or \$(0.06) per share, in the prior period.

For the nine months ended September 30, 2020 and 2019, revenues were approximately \$3.2 million and \$6.1 million, respectively. Dental revenues decreased by approximately \$2.8 million, which is related to decrease in sales of handpieces and devices throughout the country and internationally due to the COVID-19 pandemic. Gross profit for the nine months of 2020 was \$2.2 million or 68% of revenue versus \$4.2 million or 69% of revenue for the first nine months of 2019. Operating loss for the nine months of 2020 was approximately \$(6.3) million versus approximately \$(2.9) million for the nine months of 2019. Net loss for the nine months of 2020 was \$(6.3) million, or \$(0.11) per share, versus net loss of \$(4.7) million, or \$(0.11) per share, for the comparable period in 2019.

Conference Call

Milestone Scientific's executive management team will host a conference call at 8:30 AM Eastern Time Tuesday, November 17, 2020 to discuss the Company's financial results for the third quarter ended September 30, 2020, 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. 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 877-481-4010 for U.S. callers, or +1 919-882-2331 for international callers and entering the pass code 38544. 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.

MILESTONE SCIENTIFIC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,448,903	\$ 1,516,272
Accounts receivable, net	962,983	1,710,665
Prepaid expenses and other current assets	527,059	519,063
Inventories, net	2,229,760	1,620,509
Advances on contracts	723,084	710,662
Total current assets	18,891,789	6,077,171
Furniture, fixtures and equipment, net	31,311	44,976
Patents, net	342,501	382,260
Right of use assets	655,870	15,977
Other assets	24,150	35,905
Total assets	\$ 19,945,621	\$ 6,556,289
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 666,094	1,379,425
Accounts payable, related party	393,090	1,358,752
Accrued expenses and other payables	1,147,698	775,055
Accrued expenses, related party	593,625	1,057,958
Current portion of finance leases	7,903	3,904
Current operating lease right-of-use liabilities	68,934	12,072
Note payable	276,180	-
Deferred profit, related party	340,476	340,476
Total current liabilities	3,494,000	4,927,642
Finance lease liabilities, non-current	30,624	-
Operating lease right-of-use liabilities	576,407	-
Total liabilities	\$ 4,101,031	\$ 4,927,642

Commitments and contingencies

Stockholders' equity

Common stock, par value \$.001; authorized 75,000,000 shares; 63,605,119

shares issued and 63,571,786 shares outstanding as of September 30, 2020;

49,410,176 shares issued and 49,376,843 shares outstanding as of December

31, 2019;

Additional paid in capital

Accumulated deficit

Treasury stock, at cost, 33,333 shares

Total Milestone Scientific Inc. stockholders' equity

Noncontrolling interest

Total stockholders' equity

Total liabilities and stockholders' equity

	63,605	49,410
	116,577,241	96,082,324
	(99,806,352)	(93,524,297)
	(911,516)	(911,516)
	<u>15,922,978</u>	<u>1,695,921</u>
	(78,388)	(67,274)
	<u>15,844,590</u>	<u>1,628,647</u>
	\$ 19,945,621	\$ 6,556,289

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

	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Product sales, net	\$ 1,246,110	\$ 1,899,821	\$ 3,225,170	\$ 6,073,580
Cost of products sold	<u>409,621</u>	<u>523,672</u>	<u>1,024,947</u>	<u>1,894,550</u>
Gross profit	836,489	1,376,149	2,200,223	4,179,030
Selling, general and administrative expenses	2,291,779	2,314,943	8,221,359	6,941,964
Research and development expenses	21,438	7,940	237,089	109,815
Total operating expenses	<u>2,313,217</u>	<u>2,322,883</u>	<u>8,458,448</u>	<u>7,051,779</u>
Loss from operations	(1,476,728)	(946,734)	(6,258,225)	(2,872,749)
Interest expense	(569)	(2,449)	(8,727)	(6,067)
Change in fair value of derivative liability	-	(1,899,484)	-	(1,846,761)

Loss before provision for income taxes and net of equity investments	(1,477,297)	(2,848,667)	(6,266,952)	(4,725,577)
Provision for income taxes	(24,717)	(1,250)	(26,217)	(19,877)
Loss before equity in net earnings (losses) of equity investments	(1,502,014)	(2,849,917)	(6,293,169)	(4,745,454)
Earnings from China Joint Venture	-	-	-	49,099
Net loss	(1,502,014)	(2,849,917)	(6,293,169)	(4,696,355)
Net loss attributable to noncontrolling interests	11,025	12,941	35,501	35,343
Net loss attributable to Milestone Scientific Inc.	\$ (1,490,989)	\$ (2,836,976)	\$ (6,257,668)	\$ (4,661,012)
Net loss per share applicable to common stockholders--				
Basic	(0.02)	(0.06)	(0.11)	(0.11)
Diluted	(0.02)	(0.06)	(0.11)	(0.11)
Weighted average shares outstanding and to be issued--				
Basic	65,817,132	47,721,732	56,478,151	43,311,984
Diluted	65,817,132	47,721,732	56,478,151	43,311,984

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