

May 18, 2020



Milestone Scientific Provides Business Update for the First Quarter of 2020

Reports positive feedback and growing interest in CathCheck™

LIVINSTON, NJ / ACCESSWIRE / May 18, 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 first quarter ended March 31, 2020.

Leonard Osser, Interim Chief Executive Officer of Milestone Scientific, commented, "We continue to witness a growing interest in the CompuFlo® CathCheck™ System, which is now in a pilot at a leading medical institution in the United States. Had it not been for COVID-19 and the fact that hospitals are on complete lockdown, we believe we would have already announced several important commercial agreements. Nevertheless, once the current pandemic begins to subside, we believe we will be well positioned coming out of the gate."

"In the meantime, we have made technical improvements to our products, which we believe will support our commercial efforts going forward. In fact, a major university hospital familiar with CompuFlo was attracted to our new CathCheck technology, given its ability to minimize contact between the patient and provider, which is especially important during the COVID-19 pandemic. Last week, we announced an important study, which was published in the Open Journal of Anesthesiology. This study validated the efficacy of the CompuFlo® CathCheck™ System to confirm the correct placement and positioning of an epidural catheter for use during and after an epidural procedure and ensure that the catheter has not been dislodged. The CathCheck™ technology makes CompuFlo® the only known instrument that can identify the presence of a pressure waveform signal and confirm proper placement of an epidural catheter within seconds, versus 20-40 minutes using the conventional subjective method. As a result, CathCheck™ is expected to significantly reduce both time and cost for a medical institution. We also recently announced the new Quick Start feature, which simplifies and reduces procedure preparation time for the CompuFlo® instrument prior to an epidural procedure—an important enhancement to our technology driven by physician feedback."

"We also announced the completion of the first major economic study of CompuFlo® use within labor and delivery, which validated the cost savings of the system versus the traditional resistance technique. In comparison, our real-time pressure sensing technology costs an average of \$504 less per hospital stay. For illustration purposes, an institution that conducts 12,000 procedures per year would be expected to save over \$6 million annually by switching to our instrument. Given this data, we believe the CompuFlo Epidural System is now validated in terms of efficacy and cost effectiveness. As a result, we believe the CompuFlo Epidural Systems has the potential to transform the industry and our goal is to become the new standard of care."

"Turning to our dental business, we saw a decrease in sales of approximately 6% 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, will be affected. Nevertheless, we are encouraged by the gradual reopening of businesses in certain states, and we are hopeful that dental practices will start to pick up soon. Importantly, we completed a \$4.7 million financing that gives us additional cash runway as we continue the commercial rollout of the CompuFlo® Epidural System and the CathCheck System."

For the three months ended March 31, 2020 and 2019, revenues were approximately \$1.8 million and \$1.9 million, respectively. Dental revenues decreased by approximately \$112,000 primarily due to a drop in devices and handpiece sales in the United States and Canada by approximately \$272,000 and decrease in Milestone China revenue of approximately \$50,000, offset by an increase in international handpieces sales by approximately \$219,000. Gross profit for the first quarter ended March 31, 2020 was approximately \$1.3 million, or 71% of revenue, versus approximately \$1.3 million, or 68% of revenue for the first quarter ended March 31, 2019. Operating loss for the three months ended March 31, 2020 was approximately \$(1.6) million versus approximately \$(818,000) for the first quarter ended March 31, 2019. The increase in the operating loss quarter over quarter is due to an increase in selling, general and administration expenses of approximately \$676,000 and an increase of approximately \$101,000 in research and development. The increase in selling, general and administration expenses reflects an increase in professional fees of approximately \$487,000 due to the Company seeking business alternatives in addition to possible capital funding. Net loss for the three months ended March 31, 2020 was approximately \$(1.6) million, or \$(0.03) per share, versus a net loss of \$(783,000), or \$(0.02) per share, in the prior period.

Conference Call

Milestone Scientific's executive management team will host a conference call at 8:30 AM Eastern Time on Monday, May 18, 2020 to discuss the Company's financial results for the first quarter ended March 31, 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 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 and a telephone replay of the call will be available approximately one hour following the call, through Monday, June 1, 2020 by dialing 877-481-4010 for U.S. callers, or +1 919-882-2331 for international callers and entering the pass code 34840. 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, develops and commercializes 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, 2019. 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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MILESTONE SCIENTIFIC AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2020	December 31, 2019
	(UNAUDITED)	(AUDITED)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 765,975	\$ 1,516,272
Accounts receivable, net	1,289,538	1,710,665
Prepaid expenses and other current assets	707,011	519,063
Inventories, net	1,722,825	1,620,509
Advances on contracts	775,833	710,662

Total current assets	5,261,182	6,077,171
Furniture, fixtures and equipment, net	29,961	44,976
Patents, net	369,007	382,260
Right of use asset	690,301	15,977
Other assets	24,150	35,905
Total assets	<u>\$ 6,374,601</u>	<u>\$ 6,556,289</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,443,742	\$ 1,379,425
Accounts payable, related party	1,389,319	1,358,752
Accrued expenses and other payables	832,329	775,055
Accrued expenses, related party	1,162,607	1,057,957
Lease liabilities, current	71,760	15,977
Deferred profit, related party	340,476	340,476
Total current liabilities	<u>5,240,233</u>	<u>4,927,642</u>
Lease liability, non-current	646,539	-
Total liabilities	<u>\$ 5,886,772</u>	<u>\$ 4,927,642</u>
Commitments and contingencies		
Stockholders' equity		
Common stock, par value \$.001; authorized 75,000,000 shares; 49,893,534 shares issued and 49,860,201 shares outstanding as of March 31, 2020; 49,410,176 shares issued and 49,376,843 shares outstanding as of December 31, 2019;	49,893	49,410
Additional paid in capital	96,553,976	96,082,324
Accumulated deficit	(95,124,512)	(93,524,297)
Treasury stock, at cost, 33,333 shares	<u>(911,516)</u>	<u>(911,516)</u>
Total Milestone Scientific Inc. stockholders' equity	567,841	1,695,921
Noncontrolling interest	<u>(80,012)</u>	<u>(67,274)</u>
Total stockholders' equity	<u>\$ 487,829</u>	<u>\$ 1,628,647</u>
Total liabilities and stockholders' equity	<u>\$ 6,374,601</u>	<u>\$ 6,556,289</u>

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

	Three months ended	
	March 31,	
	<u>2020</u>	<u>2019</u>
Product sales, net	\$ 1,811,386	\$ 1,915,909
Cost of products sold	<u>527,250</u>	<u>618,694</u>
Gross profit	<u>1,284,136</u>	<u>1,297,215</u>
Selling, general and administrative expenses	2,785,262	2,109,050
Research and development expenses	107,480	6,346

Total operating expenses	2,892,742	2,115,396
Loss from operations	(1,608,606)	(818,181)
Other expenses	(4,210)	(2,264)
Interest income	113	1,019
Change in fair value of derivative liability	-	40,260
Loss before provision for income taxes and net of equity investments	(1,612,703)	(779,166)
Provision for income taxes	(250)	(4,465)
Loss before equity in net earnings (losses) of equity investments	(1,612,953)	(783,631)
Earnings from China Joint Venture	-	(9,564)
Net loss	(1,612,953)	(793,195)
Net loss attributable to noncontrolling interests	(12,738)	(10,443)
Net loss attributable to Milestone Scientific Inc.	(1,600,215)	(782,752)
Net loss per share applicable to common stockholders-		
Basic		
Diluted	\$ (0.03)	\$ (0.02)
	(0.03)	(0.02)
Weighted average shares outstanding and to be issued-		
Basic	49,730,252	40,531,762
Diluted	49,730,252	40,531,762

SOURCE: Milestone Scientific, Inc.

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