

May 15, 2019



Milestone Scientific Provides Business Update for the First Quarter of 2019

LIVINSTON, NJ / ACCESSWIRE / May 15, 2019 / 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, 2019.

Leonard Osser, Interim Chief Executive Officer of Milestone Scientific, commented, "We achieved steady growth in our dental division, with sales increasing 8% to \$1.9 million for the first quarter ended March 31, 2019. We are also beginning to generate traction with the CompuFlo® Epidural System. Approximately 2,000 epidural procedures have been performed by key opinion leaders worldwide using our instrument, and three major anesthesia journals have recently published clinical research highlighting the benefits of the technology."

"A key element of our strategy includes entering the medical education market with the CompuFlo® Epidural Trainer (CompuFlo Trainer). The CompuFlo Trainer reduces uncertainty with objective measurements that help reduce the number of epidural attempts, build confidence and speed trainee competency for all techniques. Most recently, we announced that we signed an agreement to distribute the CompuFlo Trainer with American 3B Scientific, a leading supplier of didactic material for medical education covering North, Central and select countries in South America. We believe that entering the medical education market is an important step to position CompuFlo as a new standard of care for the next generation of anesthesiologists and certified registered nurse anesthetists."

"As recently announced, the Board is also evaluating potential strategic options for the Company. We recognize our core competence is developing a portfolio of technologies centered around our platform technology, the patented DPS Dynamic Pressure Sensing technology®. Our goal is to either sell or license the respective technologies for specific indications, in order to maximize value for our shareholders. We look forward to providing further updates on this front."

For the three months ended March 31, 2019 and 2018, revenues were approximately \$1.9 million and \$1.8 million, respectively. The increase of 8% is primarily due to a 5% increase in international revenue, principally the rise in handpieces revenue. Gross profit for the first quarter ended March 31, 2019 was approximately \$1.3 million, or 68% of revenue, versus approximately \$1.2 million, or 69% of revenue for the first quarter ended March 31, 2018. Operating loss for the three months ended March 31, 2019 was approximately \$(818,000) versus approximately \$(2.0) million for the quarter ended March 31, 2018. The decrease in the operating loss quarter over quarter is due to a decrease in selling, general and administration expenses of approximately \$1 million and a reduction of approximately \$219,000 in research and development. Net loss for the three months ended March 31, 2019 was approximately \$(783,000), or \$(0.02) per share, versus a net loss of \$(1.9) million, or

\$(0.06) 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 Thursday, May 16, 2019 to discuss the Company's financial results for the first quarter ended March 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 800-458-4121 and entering the pass code: 4124860 . 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 4124860. 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.

CONDENSED CONSOLIDATED BALANCE SHEET

| | March 31, 2019 | December 31, 2018 |
|--|----------------------------|------------------------------|
| ASSETS | <u>(Unaudited)</u> | <u>(Audited)</u> |
| Current assets: | | |
| Cash and cash equivalents | \$ 2,739,700 | \$ 743,429 |
| Accounts receivable, net | 1,512,746 | 1,978,456 |
| Accounts receivable, related party, net | 50,000 | 100,000 |
| Prepaid expenses and other current assets | 595,951 | 414,541 |
| Deferred cost, related party | 24,602 | 50,000 |
| Inventories, net | 1,861,291 | 1,921,051 |
| Advances on contracts | 530,114 | 648,783 |
| Total current assets | <u>7,314,404</u> | <u>5,856,260</u> |
| Furniture, fixtures and equipment, net | 77,869 | 82,557 |
| Patents, net | 422,021 | 435,273 |
| Operating lease-right of use assets | 129,982 | - |
| Other assets | 17,355 | 26,878 |
| Total assets | <u><u>\$ 7,961,631</u></u> | <u><u>\$ 6,400,968</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 1,198,624 | \$ 1,205,396 |
| Accounts payable, related party | 1,400,806 | 1,663,849 |
| Accrued expenses and other payables | 1,548,353 | 1,481,715 |
| Accrued expenses, related party | 110,215 | - |
| Derivative liability | 365,785 | - |
| Operating lease-current | 114,058 | - |
| Deferred profit, related party | 431,364 | 421,800 |
| Deferred revenue, related party | 50,000 | 100,000 |
| Total current liabilities | <u>5,219,205</u> | <u>4,872,760</u> |
| Operating lease-non current | 15,924 | - |
| Total liabilities | <u><u>\$ 5,235,129</u></u> | <u><u>\$ 4,872,760</u></u> |
| Commitments and contingencies | | |
| Stockholders' equity | | |
| Series A convertible preferred stock, par value \$.001, authorized 5,000,000 shares, and 7,000 shares issued and outstanding (liquidation preference of \$7,000,000 as of March 31, 2019 and December 31, 2018) | \$ 7 | \$ 7 |
| Common stock, par value \$.001; authorized 50,000,000 shares; 40,855,721 shares issued, 2,807,710 shares to be issued and 40,822,388 shares outstanding as of March 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; | 43,662 | 36,330 |
| Additional paid in capital | 90,398,875 | 88,414,718 |
| Accumulated deficit | (86,782,681) | (85,999,929) |
| Treasury stock, at cost, 33,333 shares | (911,516) | (911,516) |
| Total Milestone Scientific Inc. stockholders' equity | <u>2,748,347</u> | <u>1,539,610</u> |

| | | |
|--|---------------------|---------------------|
| Noncontrolling interest | (21,845) | (11,402) |
| Total stockholders' equity | <u>2,726,502</u> | <u>1,528,208</u> |
| Total liabilities and stockholders' equity | <u>\$ 7,961,631</u> | <u>\$ 6,400,968</u> |

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)**

| | March 31, 2019 | March 31, 2018 |
|---|---------------------------|---------------------------|
| Product sales, net | \$ 1,915,909 | \$ 1,805,605 |
| Cost of products sold | <u>618,694</u> | <u>562,676</u> |
| Gross profit | 1,297,215 | 1,242,929 |
| Selling, general and administrative expenses | 2,109,050 | 3,018,780 |
| Research and development expenses | <u>6,346</u> | <u>225,817</u> |
| Total operating expenses | <u>2,115,396</u> | <u>3,244,597</u> |
| Loss from operations | (818,181) | (2,001,668) |
| Other expenses | 1,019 | (1,700) |
| Interest income | (2,264) | 2,664 |
| Change in fair value of derivative liability | <u>(40,260)</u> | <u>-</u> |
| Loss before provision for income taxes and equity in net losses of equity investments | (779,166) | (2,000,704) |
| Provision for income taxes | <u>(4,465)</u> | <u>(11,464)</u> |
| Loss before equity in net earnings (losses) of equity investments | (783,631) | (2,012,168) |
| (Loss) earnings from China Joint Venture | <u>(9,564)</u> | <u>36,783</u> |
| Net loss | (793,195) | (1,975,385) |
| Net loss attributable to noncontrolling interests | <u>(10,443)</u> | <u>(101,407)</u> |
| Net loss attributable to Milestone Scientific Inc. | <u>\$ (782,752)</u> | <u>\$ (1,873,978)</u> |
| Net loss per share applicable to common stockholders- | | |
| Basic | \$ (0.02) | \$ (0.06) |
| Diluted | \$ (0.02) | \$ (0.06) |
| Weighted average shares outstanding and to be issued- | | |
| Basic | 40,531,762 | 34,766,014 |
| Diluted | 40,531,762 | 34,766,014 |

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