

April 3, 2018



Milestone Scientific Reports 46.9% Increase in Sales for the Fourth Quarter of 2017

LIVINGSTON, NJ -- (Marketwired) -- 04/03/18 -- [Milestone Scientific Inc.](#) (NYSE American: MLSS) (NYSE MKT: 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, 2017.

Leonard Osser, Interim Chief Executive Officer of Milestone Scientific, commented, "I am pleased to report a 46.9% increase in sales for the fourth quarter of 2017, due in large part to increased dental handpiece sales in the U.S. Our dental division continues to generate positive cash flow on a standalone basis, which has helped offset some of the costs related to launching our medical instruments."

"We have begun to accelerate our commercial efforts around the CompuFlo® Epidural system, which was granted marketing clearance by the U.S. Food & Drug Administration (FDA) in 2017. Towards this end, we recently hired Sharon Smith as Executive Vice President of Global Sales and Marketing to spearhead our commercial efforts. We are now in discussions with a number of potential distributors around the world. We also look forward to having the results of our clinical trials published in industry journals later this year, which should help drive market adoption."

"Heading into 2018, we look forward to beginning the launch process of our Intra-Articular Instrument. In addition, we recently announced plans to launch our new cosmetic injection instrument for the delivery of botulinum toxin (such as Botox® and Dysport®). There is a large and growing global market for botulinum toxin injections, with over 8.4 million botulinum toxin injections annually in the United States alone. The new cosmetic injection instrument is designed to inject accurate doses with the precision of a stylus pen and uses the same comfort speed technology that has made our dental injections painless."

For the three months ended December 31, 2017 and 2016, revenues were approximately \$2.2 million and \$1.5 million, respectively. Total revenue increased by approximately \$0.7 million, or 46.9%, which was principally due to increased handpiece sales in the United States and Europe. The gross profit for year ended December 31, 2017 was \$1.2 million, or 56% of revenue, versus \$1.0 million, or 67% of revenue for the year ended December 31, 2016. The decline in gross profit percentage is a result of handpiece sales to China, which have lower gross margin and a reserve for inventory on a medical instrument, due to a delay in commercialization of the device. Net loss for the three months ended December 31, 2017 was \$(1.8) million, or \$(0.06) per share, versus a net loss of \$(1.7) million, or \$(0.06) per share, in the prior year.

For the years ended December 31, 2017 and 2016, revenues were approximately \$11.3 million and \$10.5 million, respectively. Total revenue increased by approximately \$0.8 million, or 8.0%, which was principally related to increased domestic handpiece sales of approximately \$2 million in 2017 compared to 2016. International sales in 2017 decreased by approximately \$1.2 million over the same period in 2016 due to a reduction in shipments to Milestone China. Gross profit for the year ended December 31, 2017 was \$6.9 million, or 62% of revenue, versus \$6.3 million, or 56% of revenue for the year ended December 31, 2016. Net loss for the year ended December 31, 2017 was \$(5.1) million, or \$(0.16) per share, versus a net loss of \$(5.9) million, or \$(0.22) per share, in the prior year.

Conference Call

Milestone Scientific's executive management team will host a conference call at 4:30 PM Eastern Time on Tuesday, April 3, 2018 to discuss the Company's financial results for the full year ending December 31, 2017, 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 888-394-8218 and entering the pass code 5731816. 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 5731816. 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, 2016. 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 INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2017	December 31, 2016	
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,636,956	\$ 3,602,229	
Accounts receivable, net	1,535,513	802,384	
Accounts receivable from related party	1,725,450	2,714,600	
Other receivable	-	10,000	
Notes receivable from financing transaction, short term	500,000	-	
Prepaid expenses and other current assets	436,410	291,929	
Deferred cost related party	1,109,671	620,041	
Inventories net	3,379,209	4,602,719	
Advances on contracts	697,192	700,900	
Total current assets	12,020,401	13,344,802	
Furniture, fixtures & equipment net	141,760	159,026	
Patents, net	2,789,748	660,454	
Notes receivable from financing transaction long term	650,000	-	
Other assets	26,878	17,355	
Total assets	\$ 15,628,787	\$ 14,181,640	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	\$ 977,623	\$ 1,341,207	
Accounts payable related party	985,678	1,235,052	
Accrued expenses and other payables	2,287,908	1,436,262	
Deferred profit, related party	751,500	630,990	
Deferred revenue, related party	1,725,450	1,001,800	
Total current liabilities	6,728,159	5,645,311	
Deferred gain from financing transaction	1,400,000	-	
Total liabilities	8,128,159	5,645,311	

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 as of December 31, 2017 and 2016.	7	7
Common stock, par value \$.001; authorized 50,000,000 shares; 33,191,571 shares issued, 1,401,247 shares to be issued and 33,158,238 shares outstanding as of December 31, 2017; 30,457,224 shares issued, 1,270,481 shares to be issued and 30,423,891 shares outstanding as of December 31, 2016	34,593	31,720
Additional paid-in capital	86,689,084	82,761,503
Accumulated deficit	(78,568,284)	(73,381,491)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity	<u>7,243,884</u>	<u>8,500,223</u>
Noncontrolling interest	<u>256,744</u>	<u>36,106</u>
Total equity	<u>7,500,628</u>	<u>8,536,329</u>
Total liabilities and stockholders' equity	<u>\$ 15,628,787</u>	<u>\$ 14,181,640</u>

MILESTONE SCIENTIFIC INC. CONSOLIDATED STATEMENTS OF OPERATIONS YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenue		
Product sales, net	\$ 11,281,886	\$ 10,482,005
Cost of products sold	<u>4,312,507</u>	<u>4,175,533</u>
Gross profit	<u>6,969,379</u>	<u>6,306,472</u>
Selling, general and administrative expenses	11,930,951	11,549,961
Research and development expenses	<u>272,746</u>	<u>1,270,471</u>
Total operating expenses	<u>12,203,697</u>	<u>12,820,432</u>
Loss from operations	(5,234,318)	(6,513,960)
Other expenses	(4,930)	(5,088)
Interest income	<u>9,298</u>	<u>1,285</u>
Loss before provision for income tax and equity in net earnings of equity investments	<u>(5,229,950)</u>	<u>(6,517,763)</u>
(Provision) benefit for income tax	<u>(19,093)</u>	<u>19,101</u>
Loss before equity in net earnings of equity investments	<u>(5,249,043)</u>	<u>(6,498,662)</u>
Loss on earnings from China Joint Venture	<u>(120,510)</u>	<u>(795,827)</u>
Net loss	<u>(5,369,553)</u>	<u>(7,294,489)</u>
Net loss attributable to noncontrolling interests	<u>(182,760)</u>	<u>(1,347,982)</u>
Net loss attributable to Milestone Scientific Inc.	<u>\$ (5,186,793)</u>	<u>\$ (5,946,507)</u>

Net loss per share applicable to common stockholders-		
Basic	\$ (0.16)	\$ (0.22)
Diluted	\$ (0.16)	\$ (0.22)
Weighted average shares outstanding and to be issued-		
Basic	32,703,897	26,966,988
Diluted	32,703,897	26,966,988

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Source: Milestone Scientific, Inc.