

May 15, 2018



## Milestone Scientific Provides Business Update for the First Quarter of 2018

LIVINGSTON, N.J., May 15, 2018 (GLOBE NEWSWIRE) -- **Milestone Scientific Inc.** (NYSE:MLSS), a dental and medical company that develops and commercializes a growing portfolio of proprietary injection technologies, today provided a business update and announced financial results for the first quarter ended March 31, 2018.

Leonard Osser, Interim Chief Executive Officer of Milestone Scientific, commented, “We have begun to ramp up our commercial efforts around the CompuFlo® Epidural system. We recently hired two experienced sales and marketing executives to spearhead these commercial efforts. Milestone Scientific is now commencing the next phase of our strategy, which involves building out our distribution channels. We have decided to pursue a decentralized sales strategy employing regional distributors with strong physician relationships within their respective territories and clinical specialties. This week we announced that we signed an agreement with a Midwestern distributor. We are targeting distributors with highly specialized sales forces that have the ability to both educate and inform anesthesiologists on the clinical benefits of the CompuFlo® Epidural System. In addition, we are in discussions with distributors around the world and look forward to having the results of our clinical trials published in leading industry journals later this year, which should help drive market adoption. At the end of March, we announced that Health Canada issued a medical device license for the CompuFlo® Epidural System. This is another important step and validation in our global roll-out strategy.”

“As anticipated, we experienced a short term weakness within our dental division in the first quarter of 2018. This was due to the timing of domestic and international promotions, as well as the timing and revenue recognition of orders from China. Nevertheless, we anticipate our dental division will achieve continued growth and maintain solid margins in 2018. Last week, we announced that The Brookdale University Hospital and Medical Center in New York will now utilize The Wand® computer assisted anesthesia system for its advanced education program in Pediatric Dentistry. In addition, The Wand® will be incorporated for regular use in the Department of Dental Medicine & Oral Maxillofacial Surgery. We are pleased to see another university utilizing our technology in their curriculum and ongoing practice.”

For the three months ended March 31, 2018 and 2017, revenues were approximately \$1.8 million and \$3.7 million, respectively. The decrease in revenue was primarily due to the revenue recognition of orders from China and advanced purchases from Henry Schein in the fourth quarter of 2017 due to the planned price increase in 2018. The gross profit for the first quarter ended March 31, 2018 was \$1.2 million, or 69% of revenue, versus \$2.3 million, or 62% of revenue for the first quarter ended March 31, 2017. Net loss for the three months ended March 31, 2018 was \$(1.9) million, or \$(0.06) per share, versus a net loss of \$(0.57) million, or \$(0.02) per share, in the prior year.

## **Conference Call**

Milestone Scientific's executive management team will host a conference call at 8:00 AM Eastern Time on Wednesday, May 16, 2018 to discuss the Company's financial results for the first quarter ended March 31, 2018, 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](http://www.milestonescientific.com), or via telephone by dialing toll free 800-263-0877 and entering the pass code: 6112920. 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 6112920. 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](http://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.*

	March 31, 2018 <u>(Unaudited)</u>	December 31, 2017 <u>(Audited)</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 2,094,238	\$ 2,636,956
Accounts receivable, net	833,836	1,535,513
Accounts receivable from related party	1,725,450	1,725,450
Notes receivable from financing transaction, current	500,000	500,000
Prepaid expenses and other current assets	494,717	436,410
Deferred cost related party	1,109,671	1,109,671
Inventories, net	3,265,058	3,379,209
Advances on contracts	984,408	697,192
Total current assets	<u>11,007,378</u>	<u>12,020,401</u>
Furniture, fixtures & equipment, net	115,502	141,760
Patents, net	2,552,382	2,789,748
Notes receivable from financing transaction, noncurrent	650,000	650,000
Other assets	26,878	26,878
Total assets	<u>\$ 14,352,140</u>	<u>\$ 15,628,787</u>

#### LIABILITIES AND STOCKHOLDERS' EQUITY

##### Current Liabilities:

Accounts payable	\$ 1,556,689	\$ 977,623
Accounts payable related party	1,075,078	985,678
Accrued expenses and other payables	1,928,654	2,287,908
Deferred profit, related party	714,717	751,500
Deferred revenue, related party	1,725,450	1,725,450
Total current liabilities	<u>7,000,588</u>	<u>6,728,159</u>
Deferred gain from financing transaction	1,400,000	1,400,000
Total liabilities	<u>8,400,588</u>	<u>8,128,159</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 as of March 31, 2018 and December 31, 2017	7	7
Common stock, par value \$.001; authorized 50,000,000 shares; 33,216,571 shares issued, 1,699,323 shares to be issued and 33,183,238 shares outstanding as of March 31, 2018; 33,191,571 shares issued, 1,401,247 shares to be issued and 33,158,238 shares outstanding as of December 31, 2017;	34,916	34,593
Additional paid-in capital	87,115,070	86,689,084

Accumulated deficit	(80,442,262 )	(78,568,284 )
Treasury stock, at cost, 33,333 shares	<u>(911,516 )</u>	<u>(911,516 )</u>
Total Milestone Scientific Inc. stockholders' equity	5,796,215	7,243,884
Noncontrolling interest	<u>155,337</u>	<u>256,744</u>
Total stockholders' equity	<u>5,951,552</u>	<u>7,500,628</u>
Total liabilities and stockholders' equity	<u>\$ 14,352,140</u>	<u>\$ 15,628,787</u>

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

For the Three Months Ended

	March 31, 2018	March 31, 2017
Revenue		
Product sales, net	\$ 1,805,605	\$ 3,688,988
Cost of products sold	<u>562,676</u>	<u>1,402,285</u>
Gross profit	1,242,929	2,286,703
Selling, general and administrative expenses	3,018,780	2,707,620
Research and development expenses	<u>225,817</u>	<u>105,015</u>
Total operating expenses	3,244,597	2,812,635
Loss from operations	(2,001,668 )	(525,932 )
Other expenses	(1,700 )	(1,209 )
Interest income	<u>2,664</u>	<u>758</u>
Loss before provision for income taxes and equity in net losses of equity investments	(2,000,704 )	(526,383 )
Provision for income taxes	<u>(11,464 )</u>	<u>(7,201 )</u>
Loss before equity in net losses of equity investments	(2,012,168 )	(533,584 )
Loss on earnings from China Joint Venture	<u>36,783</u>	<u>(44,401 )</u>
Net loss	(1,975,385 )	(577,985 )
Net loss attributable to noncontrolling interests	<u>(101,407 )</u>	<u>(73,117 )</u>
Net loss attributable to Milestone Scientific Inc.	<u>\$ (1,873,978 )</u>	<u>\$ (504,868 )</u>
Net loss per share applicable to common stockholders—		
Basic	\$ <u>(0.06 )</u>	\$ <u>(0.02 )</u>
Diluted	\$ <u>(0.06 )</u>	\$ <u>(0.02 )</u>
Weighted average shares outstanding and to be issued—		
Basic	<u>34,766,014</u>	<u>32,004,548</u>

Diluted

34,766,01432,004,548

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

	March 31, 2018	March 31, 2017
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net loss	\$ (1,975,385 )	\$ (577,985 )
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	27,625	16,860
Amortization of patents	237,366	17,682
Stock compensation	86,809	116,718
Equity income on China joint venture	(36,783 )	-
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	701,677	(824,182 )
Decrease in accounts receivable related party	-	1,400,801
Decrease in inventories	114,151	68,885
Increase to in advances on contracts	(287,216 )	(161,114 )
Increase in prepaid expenses and other current assets	(58,307 )	(207,613 )
Increase in other assets	-	(9,523 )
Decrease in deferred cost, related party	-	438,925
Increase (decrease) in accounts payable	579,070	(452,157 )
Increase (decrease) in accounts payable related party	89,400	(152,748 )
(Decrease) increase in accrued expenses and other payables	(19,757 )	96,841
(Decrease) in deferred revenue, related party	-	(645,400 )
Net cash used in operating activities	<u>(541,350 )</u>	<u>(874,010 )</u>
Cash flows from investing activities:		
Purchase of property and equipment	(1,368 )	-
Net cash used in investing activities	<u>(1,368 )</u>	<u>-</u>
Cash flows from financing activities:		
Net proceeds on Public offering	-	150,836
Proceeds from exercise of stock options	-	62,500
Net cash provided by financing activities	<u>-</u>	<u>213,336</u>
Net decrease in cash and cash equivalents	(542,718 )	(660,674 )
Cash and cash equivalents at beginning of period	2,636,956	3,602,229
Cash and cash equivalents at end of period	<u>\$ 2,094,238</u>	<u>\$ 2,941,555</u>
Supplemental disclosure of cash flow information:		
Shares issued to employees for bonuses	\$ 359,254	\$ 195,000
Shares issued to consultants in lieu of cash payments	\$ -	\$ 43,750

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