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Milestone Scientific Reports 10% Increase in Revenue for Fiscal 2016

Provides Clinical and Commercial Update Regarding Upcoming Launch of Epidural Instrument

LIVINGSTON, NJ, April 3, 2017 -- Milestone Scientific Inc. (NYSE: MLSS), a medical R&D company that designs, patents, incubates and commercializes a growing portfolio of innovative injection technologies, today provided a business update and announced financial results for the year ending December 31, 2016.

Leonard Osser, Chief Executive Officer of Milestone Scientific, stated, "We believe we are still on track to receive regulatory marketing clearance in the U.S. for our epidural instrument in the first half of 2017. In the meantime, we continue to grow our dental sales, as illustrated by a 10% increase in revenue for fiscal 2016. Our revenues would have been higher; however, we deferred over \$1 million in sales due a delayed payment in the fourth quarter, which we expect to record in 2017. We achieved solid top-line growth despite a transition underway from our former distributor to Henry Schein who is now our exclusive distributor for North America. Importantly, Henry Schein has completed the training of its Exclusive Product Sales Specialists on The Wand® STA System and we have begun to see the results of these initiatives take effect in 2017. At the same time, we are establishing a broad distribution network across China, which we anticipate will help further drive our dental instrument and handpiece sales in the months and years ahead."

"In 2016, we began the transition of our medical subsidiary from a product development company to our current focus on commercialization, pending FDA marketing clearance. Importantly, we completed clinical testing of our epidural instrument and, despite the added cost, we scaled up the trial to support our reimbursement strategy and global marketing initiatives. In advance of FDA marketing clearance, we have been cultivating relationships with distributors and key opinion leaders in both the U.S. and internationally, including Europe and Asia as well as the Middle East and North Africa. We have also resubmitted our application to the FDA for our intra-articular instrument, and we are confident that equivalency will be demonstrated based on the results of the new human factors study as well as the fact our dental instrument has been used successfully in over 60 million injections to date."

"We completed a public offering in December yielding gross proceeds of \$3 million, which will allow us to accelerate sales and marketing activities related to the planned launch of our epidural instrument. We believe this capital raise will be sufficient to support the execution of our growth strategy for the foreseeable future. We continue to generate positive cash flow within our dental subsidiary, and with the completion of our clinical trials for the epidural instrument, we expect that the burn rate of our medical subsidiary will be further reduced."

For the years ended December 31, 2016 and 2015, revenues were approximately \$10.5 million and \$9.5 million, respectively. Total revenue increased by approximately \$1 million, or 10%, which was principally related to the increase in instrument and handpiece sales to China. Domestic sales decreased by approximately \$408,000 in 2016 as Henry Schein continued to introduce our instrument to the market and sell down their current inventory. International sales in 2016 increased by approximately \$1.4 million over the same period in 2015 principally due to a shipment of STA Instruments and handpieces to Milestone China. Gross profit for year ended December 31, 2016 was \$6.3 million, or 60% of revenue, versus \$6.4 million, or 68% of revenue for the year ended December 31, 2015. Net loss for the year ended December 31, 2016 was \$(5.9) million, or \$(0.22) per share, versus a net loss of \$(5.5) million, or \$(0.26) per share, in the prior year.

Conference Call

Milestone Scientific's executive management team will host a conference call at 4:00 PM Eastern Time on Monday, April 3, 2017 to discuss the Company's financial results for the year ended December 31, 2016, as well as the Company's corporate progress and other developments.

The conference call will be available via telephone by dialing toll free 888-438-5535 and entering the pass code 6886380 or on the company's website at www.milestonescientific.com. 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 6886380. The replay will be available for 90 days.

About Milestone Scientific Inc.

Milestone Scientific Inc. (MLSS) is a medical R&D company that designs, patents, incubates and commercializes a growing portfolio of innovative injection technologies. Milestone's computer-controlled systems make injections precise, efficient, and virtually painless. 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.

(tables follow)

MILESTONE SCIENTIFIC INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>December 31,</u> <u>2016</u>	<u>December 31, 2015</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 3,602,229	\$ 4,194,384
Accounts receivable, net of allowance for doubtful accounts of \$10,000 as of December 31, 2016 and \$5,000 as of December 31, 2015	802,384	1,437,401
Account receivable from related party	2,083,610	356,400
Other receivable	10,000	58,140
Inventories	4,602,719	4,258,094
Advances on contracts	700,900	1,215,128
Deferred cost	620,041	-
Prepaid expenses and other current assets	291,929	304,604
Total current assets	<u>12,713,812</u>	<u>11,824,151</u>
Investment in Milestone Education LLC	-	16,346
Furniture, fixtures & equipment net of accumulated depreciation of \$659,144 as of December 31, 2016 and \$566,477 as of December 31, 2015	159,026	235,935
Patents, net of accumulated amortization of \$717,086 as of December 31, 2016 and \$646,388 as of December 31, 2015	660,457	715,540
Other assets	17,355	17,355
Total assets	<u>\$ 13,550,650</u>	<u>\$ 12,809,327</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable	\$ 2,576,259	\$ 2,088,268
Accrued expenses and other payables	1,436,262	1,555,567
Deferred revenue	1,001,800	-
Total current liabilities	<u>5,014,321</u>	<u>3,643,835</u>
Commitments and Contingencies		
Stockholders' Equity		
Series A convertible preferred stock, par value \$.001, authorized 5,000,000 shares, 33,333 shares held in the treasury, and 7,000 shares issued and outstanding as December 31, 2016 and December 31, 2015	7	7
Common stock, par value \$.001; authorized 50,000,000 shares; 30,457,224 shares issued, 1,270,481 shares to be issued and 30,423,891 shares outstanding as of December 31, 2016; 21,720,497 shares issued, 963,451 shares to be issued and 21,687,164 shares outstanding as of December 31, 2015	31,720	22,685
Additional paid-in capital	82,761,503	78,632,383
Accumulated deficit	(73,381,491)	(67,434,984)
Treasury stock, at cost, 33,333 shares	(911,516)	(911,516)
Total Milestone Scientific Inc. stockholders' equity	<u>8,500,223</u>	<u>10,308,575</u>
Noncontrolling interest	36,106	(1,143,083)
Total Equity	<u>8,536,329</u>	<u>9,165,492</u>
Total liabilities and stockholders' equity	<u>\$ 13,550,650</u>	<u>\$ 12,809,327</u>

MILESTONE SCIENTIFIC INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Revenue		
Product sales, net	\$ 10,482,005	\$ 9,491,569
Cost of products sold	4,175,533	3,048,260
Gross profit	6,306,472	6,443,309
Selling, general and administrative expenses	11,549,961	9,399,201
Research and development expenses	1,270,471	100,856
Total operating expenses	12,820,432	9,500,057
Loss from operations	(6,513,960)	(3,056,748)
Other (expenses)	(5,088)	(5,347)
Interest income	1,285	3,838
Loss before provision for income tax and equity in net earnings of equity investments	(6,517,763)	(3,058,257)
Provision for income tax	19,101	(36,157)
Loss before equity in net earnings of equity investments	(6,498,662)	(3,094,414)
Loss on earnings from Milestone Medical	-	(2,019,211)
Income (Loss) on earnings from Education Joint Venture	-	(7,846)
Loss on earnings from China Joint Venture	(795,827)	(418,432)
Loss in equity investments	(795,827)	(2,445,489)
Net Loss	(7,294,489)	(5,539,903)
Net loss attributable to noncontrolling interests	(1,347,982)	(72,381)
Net loss attributable to Milestone Scientific Inc.	\$ (5,946,507)	\$ (5,467,522)
Net loss per share applicable to common stockholders—		
Basic	\$ (0.22)	\$ (0.26)
Diluted	\$ (0.22)	\$ (0.26)
Weighted average shares outstanding and to be issued—		
Basic	26,966,988	21,429,993
Diluted	26,966,988	21,429,993