

DYADIC INTERNATIONAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

| | September 30, 2014 | December 31, 2013 |
|--|-------------------------------------|------------------------------------|
| ASSETS | (unaudited) | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 3,399,063 | \$ 8,892,396 |
| Restricted Cash | 159,276 | 200,378 |
| Accounts Receivable, Net | 1,885,162 | 1,677,338 |
| License Fee Receivable | - | 110,693 |
| Inventory, Net | 3,449,921 | 2,800,090 |
| Prepaid Expenses and Other Current Assets | 213,272 | 171,601 |
| Total Current Assets | 9,106,694 | 13,852,496 |
| Fixed Assets, Net | 527,780 | 504,781 |
| Intangible Assets, Net | 586,787 | 566,867 |
| Other Assets | 35,221 | 16,173 |
| | \$ 10,256,482 | \$ 14,940,317 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Current Liabilities: | | |
| Accounts Payable | \$ 1,648,495 | \$ 2,573,106 |
| Accrued Expenses | 655,362 | 469,681 |
| Accrued Interest Payable | 170,875 | 171,601 |
| Note Payable to Stockholder | 1,424,941 | - |
| Deferred Research and Development Obligation | 537,715 | 914,769 |
| Total Current Liabilities | 4,437,388 | 4,129,157 |
| Note Payable to Stockholder | - | 1,424,941 |
| Convertible Subordinated Debt | 6,710,787 | 6,818,000 |
| | 11,148,175 | 12,372,098 |
| COMMITMENTS AND CONTINGENCIES | | |
| Stockholders' Equity (Deficit): | | |
| Preferred Stock, \$.0001 Par Value: | | |
| Authorized Shares – 5,000,000; None Issued and Outstanding | - | - |
| Common Stock, \$.001 par value, | | |
| Authorized Shares – 100,000,000; Issued and Outstanding – 34,132,505 and 34,028,245, Respectively | 34,133 | 34,028 |
| Additional Paid-in Capital | 81,960,256 | 81,209,585 |
| Stock Subscriptions Receivable | (131,375) | (182,838) |
| Stock to be Issued | 61,062 | 27,769 |
| Accumulated Deficit | (82,815,769) | (78,520,325) |
| | (891,693) | 2,568,219 |
| | \$ 10,256,482 | \$ 14,940,317 |