

**DYADIC INTERNATIONAL, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

	<b>Nine Months Ended September 30,</b>		<b>Three Months Ended September 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:				
Product Related Revenue, Net	\$ 7,629,019	\$ 7,082,214	\$ 2,712,295	\$ 3,244,856
License Fee Revenue	700,000	5,000,000	700,000	-
Research and Development Revenue	1,503,721	940,810	373,730	215,562
Total Revenue	9,832,740	13,023,024	3,786,025	3,460,418
Cost of Goods Sold:	6,373,378	6,667,064	2,235,242	2,769,066
Gross Profit	3,459,362	6,355,960	1,550,783	691,352
Expenses:				
General and Administrative	4,692,844	3,532,323	1,435,528	1,421,138
Sales and Marketing	899,090	660,798	316,120	241,186
Research and Development	1,585,721	1,232,114	560,110	368,062
Gain on Sale of Fixed Assets	(19,755)	-	-	-
Foreign Currency Exchange Loss (Gain), Net	108,234	(47,310)	120,234	(80,360)
Total Expenses	7,266,134	5,377,925	2,431,992	1,950,026
Income (Loss) from Operations	(3,806,772)	978,035	(881,209)	(1,258,674)
Other Income (Expense)				
Interest Income	23,052	6,647	6,519	3,631
Interest Expense	(511,724)	(512,892)	(172,902)	(173,251)
Gain (Loss) on Settlement of Litigation	-	(313,143)	-	(313,143)
Total Other Income (Expense)	(488,672)	(819,388)	(166,383)	(482,763)
Income (Loss) Before Provision for Income Taxes	(4,295,444)	158,647	(1,047,592)	(1,741,437)
Provision for Income Taxes	-	(38,000)	-	-
Net Income (Loss)	\$ (4,295,444)	\$ 120,647	\$ (1,047,592)	\$ (1,741,437)
Net Income (Loss) per Common Share				
Basic	\$ (0.13)	\$ 0.00	\$ (0.03)	\$ (0.05)
Diluted	\$ (0.13)	\$ 0.00	\$ (0.03)	\$ (0.05)
Weighted Average Common Shares Used in Calculating Net Income (Loss) Per Share:				
Basic	34,051,071	32,507,980	34,056,410	33,240,745
Diluted	34,051,071	34,019,670	34,056,410	33,240,745