DYADIC INTERNATIONAL REPORTS THE TERMINATION OF AGREEMENT WITH SANOFI PASTEUR

JUPITER, FL – August 8, 2016 - Dyadic International, Inc. ("Dyadic") (OTCQX: DYAI) announced today the termination of its Proof of Concept, Exclusive Option & Technology Transfer Agreement, dated, as of March 30, 2011 with Sanofi Pasteur ("Sanofi").

On August 5, 2016, the Company received a 60-day notice from Sanofi, indicating that they have decided to terminate the Proof of Concept, Exclusive Option & Technology Transfer Agreement entered into among Dyadic Nederland B.V, Engen Bio Inc. and Sanofi Pasteur S.A. on March 30, 2011 (the "Agreement").

On October 5, 2016, the effective termination date of the Agreement, Sanofi's prior option rights to the C1 technology previously covered by the Agreement revert back to Dyadic. Upon such reversion, Dyadic expects to leverage the knowledge gained, and the progress made from the meaningful improvements to the C1 expression system across all biologic vaccine and drug indications.

Mark Emalfarb, Dyadic's CEO stated, "We are appreciative of the opportunity this project afforded us and have enormous respect for the scientists and staff with whom we collaborated. This project enabled us to successfully demonstrate that through the use of our C1 technology we are able to produce vaccines at high levels, with the potential to improve therapeutic vaccine performance. We consider the experience and knowledge obtained from the research invaluable and expect it will generate a greater interest in the C1 technology for developing and manufacturing biologic vaccines"

Management will be discussing this matter, in more detail at our previously announced second quarter financial results conference call, which is scheduled for Thursday, August 11, 2016 at 5:00 p.m. Eastern Time.

In order to participate in the live session, please use the following dial-in numbers five to ten minutes prior to start time:

Calling from the United States or Canada: 877-795-3648
Calling from other countries: +719-325-4857
Confirmation Code: 4570690

A replay of the conference call will be available on Dyadic's website (www.dyadic.com) within 24 hours after the live event.

About Dyadic International, Inc.
Dyadic International, Inc. is a global biotechnology company which is developing what it believes will be a potentially significant protein production system based on the fungus Myceliopthora thermophila, nicknamed C1. The C1 microorganism, which enables the development and large scale manufacture of low cost proteins, has the potential to be further developed into a safe and efficient expression system that may help speed up the development, production and performance of biologic drugs at flexible commercial scales. Dyadic is using the C1 technology and other technologies to conduct research, development and commercial activities for the development and manufacturing of human and animal vaccines, monoclonal antibodies, biosimilars and/or biobetters, and other therapeutic proteins. Dyadic pursues research and development collaborations, licensing arrangements and other commercial opportunities with its partners and collaborators to leverage the value and benefits of these technologies in developing and manufacturing biopharmaceuticals which these technologies help produce. In particular, as the aging population grows in developed and undeveloped countries, Dyadic believes the

C1 technology may help bring biologic drugs to market faster, in greater volumes, at lower cost, and with new properties to drug developers and manufacturers and, hopefully, improve access and cost to patients and the healthcare system, but most importantly saving lives. Please visit Dyadic's website at www.dyadic.com for additional information, including details regarding Dyadic's plans for its biopharmaceutical business.

Dyadic trades on the OTCQX tier of the OTC marketplace. Investors can find real-time quotes, market information and financial reports for Dyadic, as well as additional information related to its professional liability lawsuit, in the company's annual and quarterly reports which are filed with the OTC markets. Please visit the OTC markets website at www.otcmarkets.com/stock/DYAI/quote.

Safe Harbor Regarding Forward-Looking Statements

Certain statements contained in this press release are forward-looking statements within the meaning of the federal securities laws. These forward-looking statements involve risks, uncertainties and other factors that could cause Dyadic's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Investors are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements speak only as of the date of this press release and, except as required by law, Dyadic expressly disclaims any intent or obligation to update or revise any forward-looking statements to reflect actual results, any changes in expectations or any change in events. Factors that could cause results to differ materially include, but are not limited to: (1) general economic, political and market conditions (2) our ability to carry out and implement our biopharmaceutical research and business plans and strategic initiatives (3) Dyadic's ability to retain and attract employees, consultants, directors, advisors and contract research organizations; (4) our ability to implement and successfully carry out Dyadic's and third parties research and development efforts, (5) our ability to obtain new license and research agreements; (6) competitive pressures and reliance on key customers and collaborators; (7) the outcome of the current litigation by Dyadic against its former counsel and (8) other factors discussed in Dyadic's publicly available filings, including information set forth under the caption "Risk Factors" in our December 31, 2015 Annual Report filed with OTC Markets on March 29, 2016. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us.

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