

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

DYADIC INTERNATIONAL INC

Form: 8-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to SECTION 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 18, 2007

Dyadic International, Inc.

(Exact name of registrant as specified in its charter)



Delaware

(State or other jurisdiction of incorporation)

333-102629

(Commission File Number)

45-0486747

(IRS Employer Identification No.)

140 Intracoastal Pointe Drive, Suite 404

Jupiter, Florida 33477

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(561) 743-8333**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

Effective as of March 21, 2007, the maturity date of the revolving note dated as of May 29, 2003 (as previously amended, the "Revolving Note") held by the Mark A. Emalfarb Trust U/A/D October 1, 1987 (the "Emalfarb Trust") was extended from January 1, 2008 to January 1, 2009, pursuant to a Fourth Amendment to the Revolving Note between Dyadic International, Inc. (the "Company"), as borrower, and the Emalfarb Trust, as lender. The Revolving Note, which currently has a principal balance of approximately \$2.4 million, plus accrued interest, and is secured by certain of the Company's assets, was not otherwise modified by such Fourth Amendment. The Emalfarb Trust has as its beneficiary Mark A. Emalfarb, a director of the Company and the former Chief Executive Officer and President of the Company. As of March 28, 2007, Mark Emalfarb, through the Emalfarb Trust, owned approximately 19.5% of the Company's outstanding shares of common stock. Further, the Francisco Trust U/A/D February 28, 1996, whose beneficiaries are the spouse and descendants of Mark Emalfarb, owned approximately 15.9% of the Company's outstanding shares of common stock as of March 28, 2007.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On October 18, 2007, the Company entered into an employment agreement with Lisa De La Pointe, the Executive Vice President and Chief Financial Officer of the Company. The initial term of Ms. De La Pointe's employment under the agreement expires December 31, 2008, with automatic one-year extensions unless either party furnishes the other with notice of non-renewal not less than 90 days prior to the expiration of the then term. Ms. De La Pointe's annual base compensation under the agreement is \$197,500, subject to annual review by, and increase in the discretion of, the Chief Executive Officer and the Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of the Company. Ms. De La Pointe also may be entitled to a bonus under the employment agreement in the discretion of the Compensation Committee. Ms. De La Pointe has agreed to certain restrictive covenants in her employment agreement, including covenants regarding proprietary rights, confidential information, non-solicitation and non-competition.

The employment agreement is terminable on account of Ms. De La Pointe's death or disability, or by the Company without cause or "for Cause." The phrase "for Cause" is defined to include a material breach of the employment agreement, acts of disloyalty to the Company (including but not limited to acts of dishonesty or diversion of corporate opportunities), the unauthorized disclosure of the Company's confidential information, or acts determined in good faith by the Compensation Committee to be detrimental to the Company's interests, provided that Ms. De La Pointe must be afforded an opportunity to have a face-to-face meeting with the Compensation Committee before any determination is made by it that Ms. De La Pointe was guilty of "for Cause" conduct. If Ms. De La Pointe's employment is terminated by the Company other than "for Cause," upon the condition that she furnish the Company with a full general release, she is entitled to receive a severance benefit of monthly installments in the amount of 1/12th of her then annual base compensation for a period of six (6) months. Under the employment agreement, the Company is also obligated to indemnify Ms. De La Pointe to the fullest extent permitted by applicable law and the bylaws of the Company. Further, the Company agrees to advance expenses Ms. De La Pointe may incur as a result of any proceeding against her as to which she is indemnified.

Item 8.01. Other Events.

On October 23, 2007, the Company engaged Gordian Group, LLC to serve as the Company's investment banker and financial adviser, to assist the Company in evaluating, exploring and, if deemed appropriate, pursuing and implementing certain strategic and financial options and transactions that may be available to the Company, including in connection with a possible sale, merger, restructuring, recapitalization, reorganization or other strategic or financial transaction. Gordian Group, LLC is a New York-based investment banking firm with expertise in financial advisory services. While the Company has commenced evaluating its available options, no conclusion as to any specific option or transaction has been reached, nor has any specific timetable been fixed for this effort, and there can be no assurance that any strategic or financial option or transaction will be presented, implemented or consummated.

On October 3, 2007, the Company received a purported written notice of default from the Emalfarb Trust pursuant to the Revolving Note and the Security Agreement dated as of May 29, 2003, as amended by the first amendment to the security agreement dated as of August 19, 2004 (the "Security Agreement"). The notice alleges that, with reference to certain events reported in the Company's previously filed Current Reports on Form 8-K, the Company is in default under the Revolving Note and Security Agreement because, among other alleged defaults, the Emalfarb Trust deems itself to be "insecure". The Company does not believe that it is in default under the Revolving Note and Security Agreement. Even if the notice were to be deemed a proper notice of default, the Revolving Note provides that the Company has 90 days from receipt of such notice to cure the default before an "event of default" occurs under the Revolving Note. If such an event occurs and is continuing under the Revolving Note, all unpaid principal, currently in the amount of approximately \$2.4 million, and accrued interest on the Revolving Note then outstanding may become immediately due and payable at the option of the Emalfarb Trust.

On October 11, 2007, the Company received written notice from T. Rowe Price Associates, Inc. ("T. Rowe Price") demanding rescission of the purchase by T. Rowe Price (on behalf of certain funds and accounts) of 1,200,000 shares of the Company's common stock and warrants to purchase 240,000 shares of the Company's common stock under and in connection with that certain Securities Purchase Agreement dated as of November 17, 2006 (the "Securities Purchase Agreement") and, in connection with such rescission, the return of the \$5,616,000 purchase price paid by T. Rowe Price in the closing under the Securities Purchase Agreement. Pursuant to the Securities Purchase Agreement, the Company sold 2,787,00 shares of the Company's common stock and warrants to purchase 557,400 shares for an aggregate purchase price of approximately \$13.0 million, in a so-called "PIPE" transaction which closed on December 1, 2006. T. Rowe Price's notice seeks rescission based on a claim that the Company's representations in the Securities Purchase Agreement regarding its financial statements were false and the Company's warranties in such agreement were breached. The Company's Executive Committee of the Board of Directors and senior management are reviewing the allegations and related documents and will respond appropriately and in due course. While the Company believes that T. Rowe Price's demand for rescission as set forth in the notice is without merit, no assurance can be given as to the ultimate outcome of this matter.

On October 17, 2007, the Company was served with a summons and complaint filed in the United States District Court for the Southern District of Florida on October 12, 2007 (Case No. 07-80948), purporting to be a class action. The complaint names the Company and the Company's current directors, Mark A. Emalfarb, Stephen J. Warner, Harry Z. Rosengart and Richard J. Berman, and former directors, Robert B. Shapiro and Glenn E. Nedwin, as defendants. The lawsuit claims that all or some of the defendants, among other things, violated federal securities laws by issuing various materially false and misleading statements that had the effect of artificially inflating the market price of the Company's securities and causing class members to overpay for the securities during the period from November 10, 2006 through April 23, 2007. The complaint seeks unspecified monetary damages and the costs and expenses incurred in prosecuting the action, among other things. The Company intends to vigorously contest and defend the allegations under the complaint, but no assurances can be given as to the ultimate outcome of this matter.

On October 18, 2007, a complaint was filed in the United States District Court for the Southern District of Florida (Case No. 07-80993), purporting to be a class action. The complaint names the Company, Mark A. Emalfarb, a director of the Company, and Wayne Moor, a director and the Chief Executive Officer and President of the Company, as defendants. The lawsuit claims that all or some of the defendants, among other things, violated federal securities laws by issuing various materially false and misleading statements and/or concealing material adverse facts that had the effect of artificially inflating the market price of the Company's securities and causing class members to overpay for the securities during the period from April 5, 2006 through April 23, 2007. The complaint seeks unspecified monetary damages and the costs and expenses incurred in prosecuting the action, among other things. Although the Company has not yet been served with a summons and complaint, the Company intends to vigorously contest and defend the allegations under the complaint, but no assurances can be given as to the ultimate outcome of this matter.

As disclosed on the Company's Current Report on Form 8-K filed on October 1, 2007, Mark A. Emalfarb commenced an arbitration proceeding (Case No. 32 166 00765 07) against the Company before the American Arbitration Association seeking \$10,000,000 in monetary damages resulting from the termination of his employment with the Company for cause, asserting, among other things, that "cause", as defined in his employment agreement with the Company, did not exist and that his reputation had been damaged by the Company. The arbitration will be conducted in West Palm Beach, Florida. On October 22, 2007, the Company filed its answering statement in this arbitration proceeding. The Company is vigorously contesting and defending the arbitration proceeding; however, no assurance can be given as to the ultimate outcome thereof.

On September 25, 2007, the day after Mark A. Emalfarb's employment with the Company was formally terminated for cause, Mr. Emalfarb commenced an action in Delaware Chancery Court (Case No. 3250-VCP) seeking an order compelling the Company to give Mr. Emalfarb access to certain books and records of the Company that he had previously demanded access to in his capacity as a director of the Company. Prior to and after the commencement of the action, the Company agreed to provide Mr. Emalfarb access to certain books and records of the Company and has delivered to Mr. Emalfarb's counsel certain of the books and records of the Company which Mr. Emalfarb demanded access to. The Company is vigorously contesting and defending the action (insofar as it relates to books and records that the Company believes Mr. Emalfarb and/or his counsel should not be allowed access to), and is seeking attorneys fees and costs from Mr. Emalfarb in connection with the action. However, no assurance can be given as to the ultimate outcome of this proceeding.

Item 9.01. Financial Statements and Exhibits.

(c) The following exhibits are filed with this report:

Exhibit Number	Description of Exhibit
10.1	Fourth Amendment dated as of March 21, 2007 to the Revolving Note dated as of May 29, 2003 by and between Dyadic International, Inc. and The Mark A. Emalfarb Trust U/A/D dated October 1, 1987
10.2	Executive Employment Agreement dated as of October 18, 2007 by and between Dyadic International, Inc. and Lisa De La Pointe
99.1	Notice of Default dated October 3, 2007 from the Mark A. Emalfarb Trust U/A/D October 1, 1987, under the Revolving Note dated as of May 20, 2003, as amended
99.2	Notice of Rescission Demand dated October 11, 2007 from T. Rowe Price Associates, Inc. to Dyadic International, Inc.
99.3	Press Release of Dyadic International, Inc. dated October 24, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DYADIC INTERNATIONAL, INC.

Date: October 24, 2007

By: /s/ Lisa De La Pointe

Name: Lisa De La Pointe

Title: Executive Vice President and Chief Financial Officer

Index to Exhibits

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**FOURTH AMENDMENT
TO
REVOLVING NOTE**

THIS FOURTH AMENDMENT (this "**Fourth Amendment**") is made to that certain Revolving Note dated as of May 29, 2003 (the "**Note**") in favor of MARK A. EMALFARB TRUST U/A/D dated October 1, 1987 (the "**Lender**") by a wholly-owned subsidiary of DYADIC INTERNATIONAL, INC., a Delaware corporation (the "**Borrower**"), Dyadic International (USA), Inc., a Florida corporation (formerly known as Dyadic International, Inc.) (the "**Borrower's Predecessor**") and assumed by the Borrower pursuant to an Assumption Agreement dated October 29, 2004 by and between the Borrower and the Lender.

RECITALS:

- A. The Note is secured pursuant to the terms of a Security Agreement dated as of May 29, 2003.
- B. Capitalized terms not expressly defined herein shall have the meaning assigned those terms in the Note, as amended by First Amendment dated February 13, 2004 and Second Amendment dated August 19, 2004.
- C. Lender owns and holds the Note.
- D. Borrower has requested that Lender extend the scheduled Maturity Date under the Note until January 1, 2009.

AMENDMENT TO NOTE:

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged by Lender, Borrower and Lender hereby agree as follows:

- 1. Incorporation of Recitals. The foregoing Recitals are incorporated herein and by this reference made a part hereof, and this Fourth Amendment shall be construed in accordance therewith.
- 2. Amendment of Maturity Date. The Note shall be amended by deleting all references contained therein to the phrase "January 1, 2008" and substituting therefore the phrase "January 1, 2009".
- 3. Attachment: Continued Effectiveness of Note. This Fourth Amendment is attached to and forms an integral part of the Note. All of the provisions of the Note, as amended by this Fourth Amendment, shall remain in full force and effect.
- 4. Effective Date. This Fourth Amendment shall be effective as of March 21, 2007.
- 5. Counterparts. This Fourth Amendment may be signed in multiple counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same instrument.

DYADIC INTERNATIONAL, INC., a Delaware
corporation

Accepted:

MARK A. EMALFARB TRUST U/A/D October 1, 1987

By: /s/ Mark A. Emalfarb
Mark A. Emalfarb, Trustee

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT ("Agreement") is made and entered into as of the 18th day of October, 2007, by and between DYADIC INTERNATIONAL, INC., a Delaware corporation (the "Company"), and Lisa De La Pointe (the "Executive"). The Company and the Executive are sometimes hereinafter collectively referred to as the "parties" and individually as a "party," provided that as applicable, any reference to the Company shall mean the Company, its Subsidiaries and and/or their Affiliates, as the case may be. Certain capitalized terms used in this Agreement are defined in Article VII hereof.

RECITALS

A. The Executive is currently employed by the Company as the Company's Executive Vice President and Chief Financial Officer.

B. Among the recent determinations of the Executive Committee and the Compensation Committee were that it was in the best interests of the Company to promote the Executive to the position of Executive Vice President and permanent Chief Financial Officer, to increase the Executive's annual base compensation and thereafter to enter into a mutually acceptable employment agreement with the Executive.

C. As a condition to and in consideration of the Company entering into this Agreement, the Company requires that pursuant to this Agreement the Executive hereby knowingly and intentionally furnishes the Company with, among other things, the suite of proprietary covenants of the Executive in favor of the Company set forth in Article IV hereof, including by way of illustration, and not in limitation, the Executive's covenant not to compete with the businesses of the Company, its Subsidiaries and their Affiliates.

D. The Executive desires to hold the positions of Executive Vice President and Chief Financial Officer and to receive the salary and other financial benefits of this Agreement. Further, the Executive expressly acknowledges that: (i) as a member of the Company's senior management, she is one of the persons charged with primary responsibility for the implementation of the Company's business plans, and that she will have regular access to various confidential and/or proprietary information relating to the Company, its Subsidiaries, their Affiliates and their businesses; and (ii) the suite of proprietary covenants of the Executive in favor of the Company set forth in Article IV hereof which the Executive is knowingly and intentionally furnishing to the Company, including by way of illustration, and not in limitation, the Executive's covenant not to engage in competition with the Company, its Subsidiaries, their Affiliates and their businesses, are (A) being made both in consideration of the Company entering into this Agreement and providing certain financial benefits set forth herein and (B) necessary to protect the legitimate business interests of the Company, its Subsidiaries and Affiliates and their respective businesses.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the parties hereby agree as follows:

ARTICLE 1**EMPLOYMENT RELATIONSHIP**

1.1 **Recitals.** The Recitals to this Agreement are hereby incorporated herein and made a part hereof.

1.2 **Employment.** Subject to the terms and conditions of this Agreement, the Company hereby agrees to employ the Executive to serve as the Company's Executive Vice President and Chief Financial Officer, and the Executive hereby accepts such employment, and agrees to perform all of her assigned duties and responsibilities to the best of her abilities in a diligent, trustworthy, businesslike and efficient manner, and in compliance with the Dyadic International, Inc. Code of Business Conduct and Ethics, a copy of which appears on the Company's website.

1.3 **Duties; Reporting Authority.** The Executive shall have the normal and customary duties, responsibilities and authority of a Person holding the title and job description set forth in Section 1.2 hereof, and, in addition, shall perform such other duties on behalf of the Company, its Subsidiaries and their Affiliates as may be assigned to her by the Chief Executive Officer or by the Board. In connection with the Executive's performance of her duties she shall report to the Chief Executive Officer or to such other Person as the Chief Executive Officer or the Board may designate from time to time.

1.4 **Exclusive Employment.** While she is employed by the Company hereunder, the Executive covenants to the Company that she will devote her entire business time, energy, attention and skill to the Company, its Subsidiaries and their Affiliates (except for permitted vacation periods and reasonable periods of illness or other incapacity), and use her good faith best efforts to promote the interests of the Company, its Subsidiaries and their Affiliates. The foregoing shall not be construed as prohibiting the Executive from spending such time as may be reasonably necessary to attend to her personal affairs and investments so long as such activities do not conflict or interfere with the Executive's obligations and/or timely performance of her duties to the Company, its Subsidiaries and their Affiliates hereunder.

1.5 **Executive Representations.** The Executive hereby represents and warrants to the Company that:

(a) the execution, delivery and performance by the Executive of this Agreement and any other agreements contemplated hereby to which the Executive is a party do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Executive is a party or by which she is bound;

(b) the Executive is not a party to or bound by any employment agreement, non-competition agreement or confidentiality agreement with any other Person (or if a party to such an agreement, the Executive has disclosed the material terms thereof to the Compensation Committee prior to the execution hereof and promptly after the date hereof shall deliver a copy of such agreement to the Compensation Committee); and

(c) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of the Executive, enforceable in accordance with its terms.

The Executive hereby acknowledges and represents that she has consulted with independent legal counsel regarding her rights and obligations under this Agreement and that she fully understands the terms and conditions contained herein.

1.6 **Company Representations.** The Company hereby represents and warrants to the Executive that:

(a) the execution, delivery and performance by the Company of this Agreement and any other agreements contemplated hereby to which the Company is a party do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which she is bound; and

(b) upon the execution and delivery of this Agreement by the Executive, this Agreement shall be the valid and binding obligation of the Company, enforceable in accordance with its terms.

1.7 Indemnification.

(a) By the Executive. The Executive shall indemnify and hold the Company and its Subsidiaries and Affiliates harmless from and against any and all claims, demands, losses, judgments, costs, expenses, or liabilities incurred by the Company and/or any of its Subsidiaries or Affiliates arising out of or in connection with the breach of any representation or warranty of the Executive contained in this Agreement.

(b) By the Company. The Company shall indemnify and hold the Executive harmless from and against any and all claims, demands, losses, judgments, costs, expenses, or liabilities incurred by the Executive arising out of or in connection with the breach of any representation or warranty of the Company contained in this Agreement. Further, the Company shall defend, indemnify and hold harmless the Executive (including without limitation, the prompt advance payment of all reasonable legal fees and expenses) to the fullest extent permitted by applicable law and the by-laws of the Company.

ARTICLE 2

PERIOD OF EMPLOYMENT

2.1 Employment Period. The Executive is an existing employee of the Company and shall continue to be an employee of the Company until the date fixed by the provisions of Section 2.2 hereof, subject to the early termination provisions of Article V hereof (the "Employment Period"), it being acknowledged that the Company's fiscal year ends on December 31, and that the Employment Period shall therefore be denominated in calendar years.

2.2 Initial Term of Employment Period and Extension Terms. The Employment Period shall initially continue until December 31, 2008 (the "Initial Term"). The Employment Period shall be automatically extended for successive calendar years of the Company following the expiration of the Initial Term (each such one year period being hereinafter referred to as an "Extension Term") upon the same terms and conditions provided for herein unless either party provides the other party with advance written notice of its or her intention not to extend the Employment Period; provided, however, that such notice must be delivered by the non-extending party to the other party not later than ninety (90) days prior to the expiration of the Initial Term or any Extension Term, as the case may be.

ARTICLE 3

COMPENSATION

3.1 Annual Base Compensation. Effective as of October 1, 2007, and during the balance of the Employment Period the Company shall pay to the Executive an annual base salary (the "Annual Base Compensation") in the amount of \$197,500. The Annual Base Compensation shall be paid in regular installments in accordance with the Company's general payroll practices, and shall be subject to all required federal, state and local withholding taxes. The Executive's Annual Base Compensation shall be reviewed by the Chief Executive Officer and the Compensation Committee annually, and may, in the discretion of the Chief Executive Officer and the Compensation Committee be increased, provided that there shall be no obligation on the part of the Company to increase the Executive's Annual Base

3.2 Discretionary Bonuses. In the absolute discretion of the Compensation Committee, the Executive may be entitled to receive a bonus, as and if the Compensation Committee shall determine from time to time.

3.3 Expenses. During the Employment Period, the Executive shall be entitled to reimbursement of all travel, entertainment and other business expenses reasonably incurred in the performance of her duties for the Company, upon submission of all receipts and accounts with respect thereto, and approval by the Company thereof, in accordance with the business expense reimbursement policies adopted by the Company from time to time.

3.4 Vacation. In respect of each calendar year falling within the Employment Period, the Executive shall be entitled to four (4) weeks of vacation, or if greater, the number of weeks of vacation proscribed by the vacation policies of the Company then in effect from time to time, provided that unused vacation may be used by the Executive in the following calendar year only in accordance with and as permitted by the Company's then current vacation policies in effect from time to time.

3.5 Other Fringe Benefits. During the Employment Period, if, as and when they are being provided to other employees of the Company holding positions with the Company comparable to the Executive's position, the Executive shall also be entitled to receive health insurance benefits, disability benefits and retirement benefits and other fringe benefits.

ARTICLE 4

COVENANTS OF THE EMPLOYEE

4.1 Proprietary Rights. The Executive hereby expressly agrees that all research, Biological Materials, discoveries, inventions and innovations (whether or not reduced to practice or documented), improvements, developments, methods, designs, analyses, drawings, reports and all similar or related information (whether patentable or unpatentable, and whether or not reduced to writing), trade secrets (being information about the business of the Company, its Subsidiaries and their Affiliates which is considered by the Company or any such Subsidiary or Affiliate to be confidential and is proprietary to the Company or any such Subsidiary or Affiliate) and confidential information, copyrightable works, and similar and related information (in whatever form or medium), which (x) either (i) relate to the Company's, its Subsidiaries' or their Affiliates' actual or anticipated business, research and development or existing or future products or services or (ii) result from any work performed by the Executive for the Company, its Subsidiaries or any of their Affiliates and (y) are conceived, developed, made or contributed to in whole or in part by the Executive during the Employment Period ("Work Product") shall be and remain the sole and exclusive property of the Company, such Subsidiary or such Affiliate, as the case may be. The Executive shall communicate promptly and fully all Work Product to the Company.

(a) Work Made for Hire. The Executive acknowledges that, unless otherwise agreed in writing by the Company, all Work Product eligible for any form of copyright protection made or contributed to in whole or in part by the Executive within the scope of the Executive's employment by the Company during the Employment Period shall be deemed a "work made for hire" under the copyright laws and shall be owned by the Company, its Subsidiaries or their Affiliates, as applicable.

(b) Assignment of Proprietary Rights. The Executive hereby assigns, transfers and conveys to the Company, and shall assign, transfer and convey to the Company, all right, title and interest in and to all inventions, ideas, improvements, designs, processes, trademarks, service marks, trade names, trade secrets, trade dress, data, discoveries and other proprietary assets and proprietary rights in and of the Work Product (the "Proprietary Rights") for the Company's exclusive ownership and use, together with all rights to sue and recover for past and future infringement or misappropriation thereof, provided that if a Subsidiary or Affiliate of the Company is the owner thereof, such assignment, transfer and conveyance shall be made to such Subsidiary or

Affiliate, as the case may be, shall enjoy exclusive ownership and control over all rights to sue or protect or past and future infringement or misappropriation thereof.

(c) **Further Instruments.** At the request of the Company (its Subsidiaries or their Affiliates, as the case may be), at all times during the Employment Period and thereafter, the Executive will promptly and fully assist the Company (its Subsidiaries or their Affiliates, as the case may be) in effecting the purpose of the foregoing assignment, including but not limited to the further acts of executing any and all documents necessary to secure for the Company (its Subsidiaries or their Affiliates, as the case may be) such Proprietary Rights and other rights to all Work Product and all confidential information related thereto, providing cooperation and giving testimony.

(d) **Inapplicability of Section 4.1 In Certain Circumstances.** The Company expressly acknowledges and agrees that, and the Executive is hereby advised that, this Section 4.1 does not apply to any invention for which no equipment, supplies, facilities or trade secret information of the Company, its Subsidiaries or any of their Affiliates was used and which was developed entirely on the Executive's own time, unless (i) the invention relates to the business of the Company, its Subsidiaries or any of their Affiliates or to the Company's, its Subsidiaries' or any of their Affiliates' actual or demonstrably anticipated research or development or (ii) the invention results from any work performed by the Executive for the Company, its Subsidiaries or any of their Affiliates.

4.2 Ownership and Covenant to Return Documents, etc. The Executive agrees that all Work Product and all documents or other tangible materials (whether originals, copies or abstracts), including without limitation, price lists, quotation guides, outstanding quotations, books, records, manuals, files, sales literature, training materials, customer records, correspondence, computer disks or print-out documents, contracts, orders, messages, phone and address lists, invoices and receipts, and all objects associated therewith, which in any way relate to the business or affairs of the Company, its Subsidiaries and their Affiliates either furnished to the Executive by the Company, its Subsidiaries or any of their Affiliates or are prepared, compiled or otherwise acquired by the Executive during the Employment Period, shall be the sole and exclusive property of the Company, such Subsidiaries or such Affiliates, as the case may be. The Executive shall not, except for the use of the Company, its Subsidiaries or any of their Affiliates, use, copy or duplicate any of the aforementioned documents or objects, nor remove them from the facilities of the Company or such Subsidiaries or such Affiliates, as the case may be, nor use any information concerning them except for the benefit of the Company, its Subsidiaries and their Affiliates, either during the Employment Period or thereafter. The Executive agrees that she will deliver all of the aforementioned documents and objects that may be in her possession to the Company on the termination of her employment with the Company, or at any other time upon the Company's request, together with her written certification of compliance with the provisions of this Section 4.2 in the form of **Exhibit A** to this Agreement in accordance with the provisions of Section 5.3 hereof.

4.3 Non-Disclosure Covenant. For a period commencing on the date of this Agreement and ending on the last to occur of five (5) years following the date of execution of this Agreement or three (3) years following the date of the termination of the Employment Period (the "**Non-Disclosure Period**"), the Executive shall not, either directly or indirectly, disclose to any "unauthorized person" or use for the benefit of the Executive or any Person other than the Company, its Subsidiaries or their Affiliates any Work Product or any knowledge or information, which the Executive may acquire while employed by the Company (whether before or after the date of this Agreement), relating to (i) the financial, marketing, sales and business plans and affairs, financial statements, analyses, forecasts and projections, books, accounts, records, operating costs and expenses and other financial information of the Company, its Subsidiaries and their Affiliates, (ii) internal management tools and systems, costing policies and methods, pricing policies and methods and other methods of doing business, of the Company, its Subsidiaries and their Affiliates, (iii) customers, sales, customer requirements and usages, distributor lists, of the Company, its Subsidiaries and their Affiliates, (iv) agreements with customers, vendors, independent contractors, employees and others, of the Company, its Subsidiaries and their Affiliates, (v) existing and future products or services and product development plans, designs, analyses and reports, of the Company, its Subsidiaries and their Affiliates, (vi) computer software and data bases developed for the Company, its Subsidiaries or their Affiliates, and trade secrets, research, records of research, models, designs, drawings, technical data and reports of the Company, its Subsidiaries and their Affiliates and (vii) correspondence or other private or confidential matters, information or data whether written, oral or electronic, which is proprietary to the Company, its Subsidiaries and their Affiliates and/or not generally known to the public (individually and collectively "**Confidential Information**"), without the Company's prior written permission. For purposes of this Section 4.3, the term "unauthorized person" shall mean any Person who is not (i) an officer or director of the Company or an employee of the Company for whom the disclosure of the knowledge or information referred to herein is necessary for her performance of her assigned duties, or (ii) an employee, officer or director of a Subsidiary or Affiliate of the Company for whom the disclosure of the knowledge or information referred to herein is necessary for her performance of her assigned duties, or (iii) a Person expressly authorized by the Company to receive disclosure of such knowledge or information. The Company expressly acknowledges and agrees that the term "Confidential Information" excludes information which is (A) in the public domain or otherwise generally known to the trade, or (B) disclosed to third parties other than by reason of the Executive's breach of her confidentiality obligation hereunder or (C) learned of by the Executive subsequent to the termination of her employment hereunder from any other party not then under an obligation of confidentiality to the Company, its Subsidiaries and their Affiliates. Further, the Executive covenants to the Company that in the Executive's performance of her duties hereunder, the Executive will violate no confidentiality obligations she may have to any third Persons.

4.4 Non-Interference Covenants. The Executive covenants to the Company that while the Executive is employed by the Company hereunder and for the two (2) year period thereafter (the "**Non-Interference Period**"), she will not, for any reason, directly or indirectly: (a) solicit, hire, or otherwise do any act or thing which may induce any other employee of the Company, its Subsidiaries or their Affiliates to leave the employ or otherwise interfere with or adversely affect the relationship (contractual or otherwise) of the Company, its Subsidiaries and their Affiliates with any person who is then or thereafter becomes an employee of the Company, its Subsidiaries and their Affiliates; (b) do any act or thing which may interfere with or adversely affect the relationship (contractual or otherwise) of the Company, its Subsidiaries and their Affiliates with any vendor of goods or services to the Company, its Subsidiaries and their Affiliates or induce any such vendor to cease doing business with the Company, its Subsidiaries and their Affiliates; or (c) except for Competitive Activities (as defined in Section 4.5) engaged in by the Employee after the expiration of the Non-Competition Period, do any act or thing which may interfere with or adversely affect the relationship (contractual or otherwise) of the Company, its Subsidiaries and their Affiliates with any customer of the Company, its Subsidiaries and their Affiliates or induce any such customer to cease doing business with the Company, its Subsidiaries and their Affiliates.

4.5 Covenant Not To Compete. The Executive expressly acknowledges that (i) the Executive's performance of her services for the Company hereunder will afford her access to and cause her to become highly knowledgeable about the Company's, its Subsidiaries' and their Affiliates' Confidential Information; (ii) the agreements and covenants contained in this Section 4.5 are essential to protect the Confidential Information, business and goodwill of the Company, its Subsidiaries and their Affiliates, and the restraints on the Executive imposed by the provisions of this Section 4.5 are justified by these legitimate business interests of the Company; and (iii) her covenants to the Company, its Subsidiaries and their Affiliates set forth in this Section 4.5 are being made both in consideration of the Company's employment of the Executive in the office to which the Executive has been recently promoted and the salary and other financial benefits of this Agreement. Accordingly, the Executive hereby agrees that during the Non-Competition Period she shall not, anywhere in the Applicable Territory, directly or indirectly, own any interest in, invest in, lend to, borrow from, manage, control, participate in, consult with, become employed by, render services to, or in any other manner whatsoever engage in, any business which is competitive with any lines of business actively being engaged in by the Company, its Subsidiaries and their Affiliates in the Applicable Territory or actively (and demonstrably) being considered by the Company, its Subsidiaries and their Affiliates for entry into on the date of the termination of the Employment Period (collectively, "**Competitive Activities**"). The preceding notwithstanding, the Executive shall be free to make investments in the publicly traded securities of any corporation, provided that such investments do not amount to more than 1% of the outstanding securities of any class of such corporation.

4.6 Remedies For Breach. If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of this Article IV, the Company and its Subsidiaries shall have the right and remedy, in addition to any other remedy that may be available at law or in equity, to have the provisions of this Article IV specifically enforced by any court having equity jurisdiction, by the entry of temporary, preliminary and permanent injunctions and orders of specific performance, together with an accounting therefor, it being expressly acknowledged and agreed by the Executive that any such breach or threatened breach will cause irreparable injury to the Company and its Subsidiaries and that money damages will not provide an adequate remedy to the Company and its Subsidiaries. Any such injunction shall be available without the posting of any bond or other security, and the Executive hereby consents to the issuance of such

injunction. The Executive further agrees to the Company or its Subsidiaries shall be in addition to, and not in lieu of, monetary damages and any other remedies to which the Company or its Subsidiaries may be entitled. Further, in the event of an alleged breach or violation by the Executive of any of the provisions of Sections 4.3, 4.4 or 4.5 hereof, the Non-Disclosure Period, the Non-Interference Period and/or the Non-Competition Period, as the case may be, shall be tolled until such breach or violation has been cured. The parties agree that in the event of the institution of any action at law or in equity by either party to enforce the provisions of this Article IV, the losing party shall pay all of the costs and expenses of the prevailing party, including reasonable legal fees, incurred in connection therewith. If any covenant contained in this Article IV or any part thereof is hereafter construed to be invalid or unenforceable, the same shall not affect the remainder of such covenant or any other covenants, which shall be given full effect, without regard to the invalid portions, and any court having jurisdiction shall have the power to modify such covenant to the least extent necessary to render it enforceable and, in its modified form, said covenant shall then be enforceable.

ARTICLE 5

TERMINATION OF EMPLOYMENT

5.1 Termination and Triggering Events. Notwithstanding anything to the contrary elsewhere contained in this Agreement, the Employment Period shall terminate at the expiration of the Initial Term or any Extension Term, or prior to the expiration of the Initial Term or any Extension Term upon the occurrence of any of the following events (hereinafter referred to as "Triggering Events"): (a) the Executive's death; (b) the Executive's Total Disability; (c) the Executive's Resignation; (d) a Termination by the Company for Cause; or (f) a Termination by the Company Without Cause.

5.2 Rights Upon Occurrence of a Triggering Event. Subject to the provisions of Section 5.3 hereof, the rights of the parties upon the occurrence of a Triggering Event prior to the expiration of the Initial Term or any Extension Term shall be as follows:

(a) Resignation and Termination by the Company for Cause. If the Triggering Event was the Executive's Resignation or a Termination by the Company for Cause, the Executive shall be entitled to receive her Annual Base Compensation and accrued but unpaid vacation through the date thereof in accordance with the policy of the Company, and to continue to participate in the Company's health, insurance and disability plans and programs through that date and thereafter, but only to the extent permitted under the terms of such plans and programs.

(b) Death or Total Disability: If the Triggering Event was the Executive's death or Total Disability, the Executive (or the Executive's designated beneficiary) shall be entitled to receive the Executive's Annual Base Compensation and accrued but unpaid vacation through the date thereof plus a pro rata portion of the Executive's potential discretionary bonus for the calendar year in which such death or Total Disability occurred (based on the number of days the Executive was employed during the applicable calendar year), in accordance with the policy of the Company, and to continue to participate in the Company's health, insurance and disability plans and programs through the date of termination and thereafter only to the extent permitted under the terms of such plans and programs.

(c) Termination by Company Without Cause. If the Triggering Event was a Termination by the Company Without Cause, the Executive shall be entitled to receive her Annual Base Compensation and accrued but unpaid vacation through the date thereof plus, in the discretion of the Compensation Committee based upon whether it then appears any potential discretionary bonus for the year would have been earned by the Executive had she remained employed by the Company, a pro rata portion of the Executive's potential discretionary bonus for the calendar year in which such Triggering Event occurred (based on the number of days the Executive was employed during the applicable calendar year), payable in accordance with the Company's normal payroll practices, provided that in addition, for each month of the Severance Period hereinafter referred to, the Executive shall also be paid an amount per month equal to one-twelfth (1/12th) of her then current Annual Base Compensation in weekly, bi-monthly or monthly installments, as the case may be, consistent with the Company's normal payroll practices, commencing with the first regular payroll payment date following the termination of the Employment Period (collectively, the "Additional Severance Benefits"); further provided that the Executive shall be entitled to receive such Additional Severance Benefits during the Severance Period if and only if the Executive has executed and delivered to the Company the General Release substantially in form and substance as set forth in **Exhibit B** to this Agreement and only so long as the Executive has not breached any of her covenants to the Company set forth in Article IV of this Agreement.

(d) Cessation of Entitlements and Company Right of Offset. Except as otherwise expressly provided herein, all of the Executive's rights to salary, employee benefits, fringe benefits and bonuses hereunder (if any) which would otherwise accrue after the termination of the Employment Period shall cease upon the date of such termination. The Company may offset any loans, cash advances or fixed amounts which the Executive owes the Company or its Affiliate against any amounts it owes the Executive under this Agreement.

5.3 Survival of Certain Obligations and Termination Certificate. The provisions of Articles IV, V, VI and VIII shall survive any termination of the Employment Period, whether by reason of the occurrence of a Triggering Event or the expiration of the Initial Term or any Extension Term. Immediately following the termination of the Employment Period, the Executive shall promptly return to the Company all property required to be returned to the Company pursuant to the provisions of Section 4.2 hereof and execute and deliver to the Company the Termination Certificate attached hereto as **Exhibit A** and by this reference made a part hereof.

ARTICLE 6

ASSIGNMENT

6.1 Prohibition of Assignment by Executive. The Executive expressly agrees for herself, and on behalf of her executors, administrators and heirs, that this Agreement and her obligations, rights, interests and benefits hereunder shall not be assigned, transferred, pledged or hypothecated in any way by the Executive, her executors, administrators or heirs, and shall not be subject to execution, attachment or similar process. Any attempt to assign, transfer, pledge, hypothecate or otherwise dispose of this Agreement or any such rights, interests and benefits thereunder contrary to the foregoing provisions, or the levy of any attachment or similar process thereupon, shall be null and void and without effect and shall relieve the Company of any and all liability hereunder.

6.2 Right of Company to Assign. Except as provided in the next sentence, the rights, but not the obligations of the Company, shall be assignable and transferable to any successor-in-interest without the consent of the Executive. In the instance of a sale of the Company or the sale of all or substantially all of the assets of the Company, this Agreement and the rights and obligations of the Company hereunder may be assigned to the acquiring party without the Executive's consent, and for purposes of this Agreement, such acquirer shall thereafter be deemed to be the Company.

ARTICLE 7

DEFINITIONS

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with that Person, provided that, for purposes of this definition, the terms "controls," "controlled by," or "under common control with" shall mean that Person's possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Territory" means the United States of America and each other country in which the Company, any of its Subsidiaries or any of their Affiliates

is actively engaged in the conduct of one or more lines of business.

"Board" means the Board of Directors of the Company.

"Biological Materials" means (i) classical or genetically modified strains, micro or other organisms, genes, proteins, peptides, sugars, metabolites, small molecules, enzymes or DNA, vectors, plasmids, promoters, expression cassettes or other genomic tools and assay materials which are being worked with or on by the Company, its Subsidiaries or any of their Affiliates or which are being worked with or on the Company's, its Subsidiaries' or any of their Affiliates' behalf by the Company's, its Subsidiaries' or any of their Affiliates' advisors, research and business collaborators, and (ii) "Biological Materials" and fermentation or other manufacturing processes being utilized by the Company, its Subsidiaries or any of their Affiliates, the Company's, its Subsidiaries' or any of their Affiliates' research or business collaborators or the Company's, its Subsidiaries' or any of their Affiliates' third party manufactures for research, pilot scale and/or commercial manufacture of biotechnology and other products.

"Chief Executive Officer" means the chief executive officer of the Company.

"Compensation Committee" means the Compensation Committee of the Board.

"Executive Committee" means the Executive Committee of the Board.

"Non-Competition Period" means the Employment Period and the eighteen (18) month period thereafter.

"Person" means an individual, partnership, limited liability company, trust, estate, association, corporation, governmental body or other juridical being.

"Resignation" means the voluntary termination of employment hereunder by the Executive on or before the expiration of the Initial Term or any Extension Term, as the case may be (except if made in contemplation of a Termination by the Company for Cause), provided that if such action is taken by the Executive without the giving of at least ninety (90) days prior written notice, such termination of employment shall not be a "Resignation," but instead shall constitute a Termination for Cause, further provided that the termination of the Employment Period on account of the failure of the Executive to extend the Employment Period in accordance with the provisions of Section 2.2 hereof shall constitute a Resignation.

"Severance Period" means: the six (6) month period immediately following the date of the termination of the Employment Period.

"Subsidiary" means, with respect to any Person of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of such Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director or general partner of such limited liability company, partnership, association or other business entity.

"Termination by the Company for Cause" means termination by the Company of the Executive's employment on or before the expiration of the Initial Term or any Extension Term, as the case may be, on account of a finding by the Compensation Committee that the Executive has: (i) breached this Agreement or any other agreement between the Executive and the Company, any Subsidiary or any of their Affiliates; (ii) engaged in disloyalty to the Company, including without limitation, the diversion of corporate opportunity, fraud, embezzlement, theft, commission of a felony or proven dishonesty, in the course of her performance of her services hereunder; (iii) disclosed trade secrets or other Confidential Information of the Company to Persons not entitled to receive such information; or (iv) engaged in such other behavior detrimental to the interests of the Company as the Compensation Committee determines; provided that the termination of the Executive's employment hereunder by the Company shall not be deemed a Termination by the Company for Cause unless and until there shall have been delivered to the Executive a written notice from the Chief Executive Officer (after reasonable notice (in light of the circumstances surrounding the termination) to and an opportunity for the Executive, alone and in person, to have a face-to-face meeting with the Compensation Committee) stating that in the good faith opinion of the Compensation Committee, the Executive was guilty of the conduct set forth in one or more of the foregoing clauses.

"Termination by the Company Without Cause" means a termination of the Executive's employment by the Company on or before the expiration of the Initial Term or any Extension Term, as the case may be, which is not a Termination by the Company for Cause, provided that the termination of the Employment Period on account of the failure of the Company to extend the Employment Period in accordance with the provisions of Section 2.2 hereof shall constitute a Termination by the Company Without Cause.

"Total Disability" means the Executive's inability, because of illness, injury or other physical or mental incapacity, to perform her duties hereunder (as determined by the Compensation Committee in good faith) for a continuous period of ninety (90) consecutive days, or for a total of ninety (90) days within any three hundred sixty (360) consecutive day period, in which case such Total Disability shall be deemed to have occurred on the last day of such ninety (90) day or three hundred sixty (360) day period, as applicable.

ARTICLE 8

GENERAL

8.1 Notices. All notices under this Agreement shall be in writing and shall be deemed properly sent, (i) when delivered, if by personal service or reputable overnight courier service, or (ii) when received, if sent (x) by certified or registered mail, postage prepaid, return receipt requested, or (y) via facsimile transmission (provided that a hard copy of such notice is sent to the addressee via one of the methods of delivery or mailing set forth above on the same day the facsimile transmission is sent), to (A) the Executive at the address of her principal place of residence on file with the Company from time to time and (B) to the Company, as follows:

Dyadic International, Inc.
c/o Chief Executive Officer
140 Intracoastal Pointe Drive, Suite 404
Jupiter, Florida 33477
Facsimile (561) 743-8513

With a copy to:

David W. Trench, Esq.
Bilzin Sumberg Baena Price & Axelrod LLP
2500 Wachovia Financial Center
200 South Biscayne Boulevard

8.2 Governing Law. This Agreement shall be subject to and governed by the laws of the State of Florida without regard to any choice of law or conflicts of law rules or provisions (whether of the State of Florida or any other jurisdiction), irrespective of the fact that the Executive may become a resident of a different state.

8.3 Binding Effect. The Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Executive and her executors, administrators, personal representatives and heirs.

8.4 Complete Understanding. This Agreement constitutes the complete understanding among the parties hereto with regard to the subject matter hereof, and supersedes any and all prior agreements and understandings relating to the terms of Executive's employment by the Company.

8.5 Amendments. No change, modification or amendment of any provision of this Agreement shall be valid unless made in writing and signed by all of the parties hereto.

8.6 Waiver. The waiver by the Company of a breach of any provision of this Agreement by the Executive shall not operate or be construed as a waiver of any subsequent breach by the Executive. The waiver by the Executive of a breach of any provision of this Agreement by the Company shall not operate as a waiver of any subsequent breach by the Company.

8.7 Venue, Jurisdiction, Etc. The Executive hereby agrees that any suit, action or proceeding relating in any way to this Agreement may be brought and enforced in the Circuit Court of Palm Beach County of the State of Florida or in the District Court of the United States of America for the Southern District of Florida, and in either case the Executive hereby submits to the jurisdiction of each such court. The Executive hereby waives and agrees not to assert, by way of motion or otherwise, in any such suit, action or proceeding, any claim that the Executive is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper. The Executive consents and agrees to service of process or other legal summons for purpose of any such suit, action or proceeding by registered mail addressed to the Executive at her address listed in the business records of the Company. Nothing contained herein shall affect the rights of the Company to bring suit, action or proceeding in any other appropriate jurisdiction. The Executive and the Company do each hereby waive any right to trial by jury, she or it may have concerning any matter relating to this Agreement.

8.8 Severability. If any portion of this Agreement shall be for any reason, invalid or unenforceable, the remaining portion or portions shall nevertheless be valid, enforceable and carried into effect.

8.9 Headings. The headings of this Agreement are inserted for convenience only and are not to be considered in the construction of the provisions hereof.

8.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which, taken together, shall constitute one and the same agreement.

[Signatures on the following pages]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above-written.

COMPANY: EXECUTIVE:

DYADIC INTERNATIONAL, INC.,
a Delaware Corporation

By: /s/ Lisa De La Pointe
LISA DE LA POINTE

By: /s/ Wayne Moor
Wayne Moor
Chief Executive Officer

EXHIBIT A
to
EXECUTIVE EMPLOYMENT AGREEMENT
between
DYADIC INTERNATIONAL, INC.
and
LISA DE LA POINTE

TERMINATION CERTIFICATE

This is to certify that, except as permitted by the Employment Agreement (as defined below) I do not have in my possession, nor have I failed to return, any software, inventions, designs, works of authorship, copyrightable works, formulas, data, marketing plans, forecasts, product concepts, marketing plans, strategies, forecasts, devices, records, data, notes, reports, proposals, customer lists, correspondence, specifications, drawings, blueprints, sketches, materials, patent applications, continuation applications, continuation-in-part applications, divisional applications, other documents or property, or reproductions of any aforementioned items belonging to DYADIC INTERNATIONAL, INC. (the "Company"), its Subsidiaries and their Affiliates, successors or assigns.

I further certify that I have complied with all the terms of the Employment Agreement dated as of October 18, 2007 between the Company and me (as the same may be amended, restated or otherwise modified, the "Employment Agreement"), relating to the reporting of any Work Product conceived or made by me (solely or jointly with others) covered by the Employment Agreement. Capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Employment Agreement.

I acknowledge that the provisions of the Employment Agreement relating to Confidential Information continue in effect beyond the termination of the Employment Agreement, as set forth therein.

Finally, I further acknowledge that the provisions of the Employment Agreement relating to my (i) anti-pirating, (ii) non-interference and (iii) non-competition covenants to the Company, its Subsidiaries and their Affiliates, also remain in effect following the date of my termination of employment with the Company.

Date: _____
LISA DE LA POINTE

EXHIBIT B
to
EXECUTIVE EMPLOYMENT AGREEMENT
between
DYADIC INTERNATIONAL, INC.
and
LISA DE LA POINTE
GENERAL RELEASE

I, Lisa De La Pointe, in consideration of and subject to the performance by DYADIC INTERNATIONAL, INC., a Delaware corporation (the "Company"), of its material obligations under the Employment Agreement, dated as of October 18, 2007 (as the same may be amended, restated or otherwise modified, the "Agreement"), do hereby release and forever discharge as of the date hereof the Company, its Subsidiaries and their Affiliates (as those terms are defined in the Agreement) and all present and former directors, officers, agents, representatives, employees, successors and assigns of the Company, its Subsidiaries and their Affiliates and their direct or indirect owners (collectively, the "Released Parties") to the extent provided below.

1. I understand that any payments or benefits paid or granted to me under Section 5.2(c) of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive the payments and benefits specified in Section 5.2(c) of the Agreement unless I execute this General Release and do not revoke this General Release within the time period permitted hereafter or breach this General Release.
2. Except as provided in paragraph 4 of this General Release, I knowingly and voluntarily release and forever discharge the Company and the other Released Parties from any and all claims, controversies, actions, causes of action, cross-claims, counterclaims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date of this General Release) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation from, the Company (including, but not limited to, any allegation, claim or violation, arising under: Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended (including the Older Workers Benefit Protection Act); the Equal Pay Act of 1963, as amended; the Americans with Disabilities Act of 1990; the Family and Medical Leave Act of 1993; the Civil Rights Act of 1866, as amended; the Worker Adjustment Retraining and Notification Act; the Executive Retirement Income Security Act of 1974; any applicable Executive Order Programs; the Fair Labor Standards Act; or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Company; or any claim for wrongful discharge, breach of contract, negligent or intentional infliction of emotional distress, defamation; or any claim for costs, fees, or other expenses, including attorneys' fees incurred in these matters) (all of the foregoing collectively referred to herein as the "Claims").
3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action or other matter covered by paragraph 2 of this General Release.
4. I and the Company mutually agree that this General Release does not waive or release any rights or claims that I may have under: (a) the Age Discrimination in Employment Act of 1967 which arise after the date I execute this General Release; and (b) any agreements to which I and the Company and/or any of its Subsidiaries or Affiliates are parties pertaining to any shares or options to purchase shares of capital stock of the Company and/or any of its Subsidiaries or Affiliates owned by me. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action (including, without limitation, any claim under the Age Discrimination in Employment Act of 1967).
5. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (notwithstanding any state statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against any Released Party, or in the event I should seek to recover against any Released Party in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims. I further agree that I am not aware of any pending charge or complaint of the type described in paragraph 2 as of the execution of this General Release.
6. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.
7. I agree that if I challenge the validity of this General Release, I will forfeit all unpaid amounts otherwise payable by the Company pursuant to Section 5.2(c) of the Agreement other than the very first payment due me thereunder, provided that nothing herein contained in this Agreement shall prohibit or bar me from filing a charge, including a challenge to the validity of the Agreement, with the United States Equal Employment Opportunity Commission ("EEOC"), or any state or local fair employment-practices agency, or from participating in any investigation, hearing or proceeding conducted by the EEOC, or any state or local fair employment practices agency. I also agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys' fees, and return all payments received by me pursuant to the Agreement.
8. I agree that this General Release is confidential and agree not to disclose any information regarding the terms of this General Release, except to my immediate family and any tax, legal or other counsel I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone.
9. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the EEOC (or a state or local fair employment practices agency), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization or governmental entity.

10. I agree to reasonably cooperate with the Company in any internal investigation or administrative, regulatory, or judicial proceeding. I understand and agree that my cooperation may include, but not be limited to, making myself available to the Company upon reasonable notice for interviews and factual investigations; appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process; volunteering to the Company pertinent information; and turning over to the Company all relevant documents which are or may come into my possession all at times and on schedules that are reasonably consistent with my other permitted activities and commitments, provided that I shall have no obligation to expend more than one week of my time in connection with the performance of these activities which out reasonable recompense, as mutually and reasonably agreed upon by me and the Company. I understand that in the event the Company asks for my cooperation in accordance with this provision, the Company will reimburse me solely for reasonable travel expenses, including lodging and meals, upon my submission of receipts.
11. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach occurring after the date hereof by the Company or by any Released Party of the Agreement.
12. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT AND AGREE THAT:

- (a) I HAVE READ IT CAREFULLY;
- (b) I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS, INCLUDING BUT NOT LIMITED TO, RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, AS AMENDED, TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE EQUAL PAY ACT OF 1963, THE AMERICANS WITH DISABILITIES ACT OF 1990; AND THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED;
- (c) I VOLUNTARILY CONSENT TO EVERYTHING IN IT;
- (d) I HAVE BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING IT AND I HAVE DONE SO OR, AFTER CAREFUL READING AND CONSIDERATION I HAVE CHOSEN NOT TO DO SO OF MY OWN VOLITION;
- (e) I HAVE HAD AT LEAST 21 DAYS FROM THE DATE OF MY RECEIPT OF THIS RELEASE SUBSTANTIALLY IN ITS FINAL FORM ON _____, _____ TO CONSIDER IT AND THE CHANGES MADE SINCE THE _____, _____ VERSION OF THIS RELEASE ARE NOT MATERIAL AND WILL NOT RESTART THE REQUIRED 21-DAY PERIOD;
- (f) THE CHANGES TO THE AGREEMENT SINCE _____, _____ EITHER ARE NOT MATERIAL OR WERE MADE AT MY REQUEST.
- (g) I UNDERSTAND THAT I HAVE SEVEN DAYS AFTER THE EXECUTION OF THIS RELEASE TO REVOKE IT AND THAT THIS RELEASE SHALL NOT BECOME EFFECTIVE OR ENFORCEABLE UNTIL THE REVOCATION PERIOD HAS EXPIRED;
- (h) I HAVE SIGNED THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE ME WITH RESPECT TO IT; AND
- (i) I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE COMPANY AND BY ME.

DATE: _____

LEVIN GINSBURG 180 North LaSalle Street, Suite 3200
Attorneys at Law Chicago, Illinois 60601-2800

312.368.0100

October 3, 2007

Via Overnight Courier and Regular Mail

Dyadic International (USA), Inc.
Formerly known as Dyadic International, Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, Florida 334 77
Attention: Wayne Moor, Chief Executive Officer

RE: Default under Revolving Note (\$3,000,000.00)
Our File No. 337438

Dear Mr. Moor:

Please be advised that we are counsel to the Mark A. Emalfarb Trust under agreement dated October 1, 1987 ("Lender").

Dyadic International (USA), Inc., Formerly known as Dyadic International, Inc., ("Borrower") executed and delivered to Lender a certain Revolving Note dated as of May 29, 2003 ("Bridge Note"). Lender is the payee and legal holder of the Bridge Note. The balance due under the Bridge Note is the principal sum of \$2,378,832.00 plus interest accrued from and after October 1, 2007, and previously unpaid interest. Contemporaneously with the execution and delivery of the Bridge Note, Borrower, as "Debtor", executed and delivered to Lender, as "Secured Party", a Security Agreement. This letter is Lender's notice of default to Borrower pursuant to Section 5 of the Bridge Note.

The Borrower, as "Registrant" or "Company" has reported the following events in various press releases and/or filings with the U.S. Securities and Exchange Commission.

1. "The Registrant has discovered potentially material operational and financial improprieties at its Hong Kong and mainland China operations following the recent death of the managing director of its Hong Kong operations. The Registrant's audit committee, upon the advice of counsel, has initiated an independent investigation of the facts surrounding these improprieties."

2. "The Registrant is in discussions with the American Stock Exchange regarding the continued listing of its shares; however, it anticipates that the Exchange may, in accordance with its rules, initiate delisting proceedings against the Registrant. Furthermore, the Registrant has been notified by the Exchange that the trading in its shares will continue to be halted until such time as additional information regarding these matters is publicly available."

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Mr. Wayne Moor
Dyadic International (USA), Inc.
Formerly known as Dyadic International, Inc.
Our File No. 337438
October 3, 2007

3. "On April 23, 2007, the Registrant's board of directors, upon the recommendation of the audit committee, determined that the Registrant's previously filed financial statements, including those contained in its Annual Reports on Form 10-KSB and Quarterly Reports on Form 10-QSB, as filed with the Securities and Exchange Commission (the "SEC"), should no longer be relied upon."

4. "On May 17, 2007, the Registrant received a notice from the American Stock Exchange (the "Exchange") indicating that the Registrant is currently in violation of the Exchange's continuing listing standards specified in Sections 134 and 1101 of the Exchange's Company Guide because the Registrant has yet to file with the SEC its quarterly report on Form 10-QSB for the quarter ended March 31, 2007. The Exchange's notice further indicates that the Registrant must submit a plan to the Exchange by June 18, 2007, advising the Exchange of action it has taken, or will take, that will enable the Registrant to regain compliance with these continuing listing standards by no later than November 16, 2007."

5. "On July 2, 2007, the Registrant received a notice from the American Stock Exchange (the "Exchange") indicating that the Registrant continues to be in violation of the Exchange's continuing listing standards specified in Sections 134 and 1.101 of the Exchange's Company Guide because the Registrant has yet to file with the SEC its quarterly report on Form 10-QSB for the quarter ended March 31, 2007. The Exchange's notice further indicates that it has received and evaluated a plan of compliance (the "Plan") dated June 18, 2007 provided by the Registrant, advising the Exchange of action the Registrant has taken, or will take, that will enable the Registrant to regain compliance with these continuing listing standards by no later than November 16, 2007 (the "Plan Period")."

6. "The halt on trading in the Registrant's shares that went into effect, at the request of the Registrant, on April 23, 2007, has been and, at the direction of the Exchange, will continue to be in effect until such time as the Registrant has filed with the SEC its quarterly report on Form 10-QSB for the quarter ended March 31, 2007."

7. "On September 20, 2007, a special committee (the "Special Committee") of the board of directors (the "Board") of Dyadic International, Inc. (the "Company"), acting upon the recommendation of the audit committee (the "Audit Committee") of the Board, authorized the termination for cause by the Company of the employment of Mark A. Emalfarb as the Company's Chief Executive Officer and President under his employment agreement dated as of

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Attorneys at Law

April 1, 2001, as amended by the first amendment to employment agreement dated as of March 16, 2006. This termination was effectuated on September 24, 2007. Mr. Emalfarb previously terminated his voluntary leave of absence from the Board on September 5, 2007, and remains a director of the Company, although the Company now has requested that Mr. Emalfarb voluntarily resign from the Board immediately."

8. "As a result of the completion of the Investigation into the operations of the Company's Asian subsidiaries, it has been concluded that the Asian subsidiaries' largest purported customer was secretly controlled by the Asian subsidiaries' management, including the deceased managing director. It was determined, among other things, that this purported customer purchased products from the Company's Asian subsidiaries which the purported customer subsequently re-sold on a cash basis to businesses in mainland China, apparently allowing certain of these businesses to avoid Chinese reporting and VAT requirements. The Investigation revealed that former management of the Company and the management of the Asian subsidiaries had willfully concealed facts relating to these material operational and financial improprieties by the Company's Asian subsidiaries. The Company has abandoned its Asian operations because of its concerns over these material operational and financial improprieties."

9. "As previously reported, the Company's financial statements, including those contained in its Annual Report on Form 10-KSB, as previously filed with the Securities and Exchange Commission (the "SEC"), should not be relied upon. The Company is currently in the process of determining the proper accounting treatment to record the effect of abandoning the Asian operations and to be able to issue its Quarterly Reports on Form 10-QSB for the quarters ended March 31, June 30 and September 30, 2007, although there can be no assurances in this regard as to the timing of or the Company's ability to achieve same."

As a result of such events, Lender deems itself insecure.

Each of the foregoing is an event described under one or more subsections of Section 5 of the Bridge Note (entitled "Default"), including but not limited to subsections (a), (b), (d), (g), (h), (i) and/or (k), and an event described in one or more subsections of Section 9 of the Security Agreement (entitled "Events of Default"), including but not limited to subsections (g), (h), (i) and/or (k)

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Lender does not intend to extend the Maturity Date of the Bridge Note and intends to seek a recovery of Lender's attorneys' fees from Borrower in connection with protecting and enforcing Lender's rights under the Loan Documents (as defined in the Bridge Note).

Sincerely,

LEVIN GINSBURG

/s/ Mitchell S. Chaban

MITCHELL S. CHABAN
mchaban@lgattorneys.com

MSC/kaw

Pollack & Kamisky
114 West 47th Street
New York, New York 10036

October 11, 2007

DYADIC International, Inc.
140 Intracoastal Pointe Drive, Suite 404
Jupiter, Florida 33477

Attn.: Chief Executive Officer
Facsimile (561) 743-8333

Gentlemen:

This Firm represents T. Rowe Price Associates, Inc., Investment Adviser to the Funds and Accounts ("T. Rowe Price") which purchased shares and warrants of DYADIC International, Inc. pursuant to the Securities Purchase Agreement dated as of November 2006.

The representations in Section 3.1(g) with respect to the financial statements of the Company were false, as the Company has publicly acknowledged, and the warranties were breached. Among other failures, the financial statements did not comply with applicable accounting requirements and the rules and regulations of the SEC as in effect at the time of the filing. Nor did they fairly present in all material respects the consolidated financial position of the Company and its consolidated subsidiaries.

T. Rowe Price hereby demands rescission of the purchases of 1,200,000 shares and 240,000 warrants for which \$5,616,000 was paid by the Funds and Accounts.

Please be in touch with the undersigned promptly to discuss mechanics of the transfer back to the Company of the shares and warrants and the payment to T. Rowe Price, for the Funds and Accounts, of \$5,616,000.

Sincerely yours,

/s/ Daniel A. Pollack

Daniel A. Pollack
for T. Rowe Price Associates, Inc.

cc: Greenberg Traurig, P.A.
1221 Brickell Avenue
Miami, Florida 33131
Facsimile (305) 961-5642
Attn.: Andrew E. Balog, Esq.

DYADIC International, Inc.

October 11, 2007

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Greenberg Traurig, 1.,12

77 West Wacker Drive, Suite

2500 Chicago, Illinois 60601

Facsimile (312) 899-0431

Attn.: Robert I. Schwimmer, Esq.

Dyadic Announces Engagement of Gordian Group and Other Updates

JUPITER, Fla - October 24, 2007 - Dyadic International, Inc. (AMEX: DIL) announced today that on October 23, 2007, the Company engaged Gordian Group, LLC, to serve as the Company's investment banker and financial adviser, to assist the Company in evaluating, exploring and, if deemed appropriate, pursuing and implementing certain strategic and financial options and transactions that may be available to the Company, including a possible sale, merger, restructuring, recapitalization, reorganization or other strategic or financial transaction. Gordian Group, LLC is a New York-based investment banking firm with expertise in financial advisory services. While the Company has commenced evaluating its available options, no conclusion as to any specific option or transaction has been reached, nor has any specific timetable been fixed for this effort, and there can be no assurance that any strategic or financial option or transaction will be presented, implemented or consummated.

Other Updates:

- On October 18, 2007, the Company entered into an employment agreement with Ms. Lisa De La Pointe, the Executive Vice President and Chief Financial Officer of the Company. The initial term of Ms. De La Pointe's employment under the agreement expires December 31, 2008, with automatic one-year extensions unless either party furnishes the other with notice of non-renewal not less than 90 days prior to the expiration of the then term.
- On October 18, 2007, a complaint was filed in the United States District Court for the Southern District of Florida, purporting to be a class action. The complaint names the Company, Mark A. Emalfarb, a director of the Company, and Wayne Moor, a director and the Chief Executive Officer and President of the Company, as defendants. The lawsuit claims that all or some of the defendants, among other things, violated federal securities laws by issuing various materially false and misleading statements and/or concealing material adverse facts that had the effect of artificially inflating the market price of the Company's securities and causing class members to overpay for the securities during the period from April 5, 2006 through April 23, 2007. The complaint seeks unspecified monetary damages and the costs and expenses incurred in prosecuting the action, among other things. Although the Company has not yet been served with a summons and complaint, the Company intends to vigorously contest and defend the allegations under the complaint, but no assurances can be given as to the ultimate outcome of this matter.
- On October 17, 2007, the Company was served with a summons and complaint filed in the United States District Court for the Southern District of Florida on October 12, 2007, purporting to be a class action. The complaint names the Company and the Company's current directors, Mark A. Emalfarb, Stephen J. Warner, Harry Z. Rosengart and Richard J. Berman, and former directors, Robert B. Shapiro and Glenn E. Nedwin, as defendants. The lawsuit claims that all or some of the defendants, among other things, violated federal securities laws by issuing various materially false and misleading statements that had the effect of artificially inflating the market price of the Company's securities and causing class members to overpay for the securities during the period from November 10, 2006 through April 23, 2007. The complaint seeks unspecified monetary damages and the costs and expenses incurred in prosecuting the action, among other things. The Company intends to vigorously contest and defend the allegations under the complaint, but no assurances can be given as to the ultimate outcome of this matter.
- On October 11, 2007, the Company received written notice from T. Rowe Price Associates, Inc. ("T. Rowe Price") demanding rescission of the purchase by T. Rowe Price of 1,200,000 shares of the Company's common stock and warrants to purchase 240,000 shares of the Company's common stock under and in connection with that certain Securities Purchase Agreement dated as of November 17, 2006, and, in connection with such rescission, the return of the \$5,616,000 purchase price paid by T. Rowe Price in the closing under the Securities Purchase Agreement. Pursuant to the Securities Purchase Agreement, the Company sold 2,787,00 shares of the Company's common stock and warrants to purchase 557,400 shares for an aggregate purchase price of approximately \$13.0 million, in a so-called "PIPE" transaction which closed on December 1, 2006. T. Rowe Price's notice seeks rescission based on a claim that the Company's representations in the Securities Purchase Agreement regarding its financial statements were false and the Company's warranties in such agreement were breached. The Company's Executive Committee of the Board of Directors and senior management are reviewing the allegations and related documents and will respond appropriately and in due course. While the Company believes that T. Rowe Price's demand for rescission as set forth in the notice is without merit, no assurance can be given as to the ultimate outcome of this matter.
- On October 3, 2007, the Company received a purported written notice of default from the Mark A. Emalfarb Trust U/A/D October 1, 1987 (the "Emalfarb Trust") pursuant to the Revolving Note dated as of May 29, 2003 (as amended, the "Revolving Note") and the Security Agreement dated as of May 29, 2003, as amended by the first amendment to the security agreement dated as of August 19, 2004 (the "Security Agreement"). The notice alleges that, with reference to certain events reported in the Company's previously filed Current Reports on Form 8-K, the Company is in default under the Revolving Note and Security Agreement because, among other alleged defaults, the Emalfarb Trust deems itself to be "insecure". The Company does not believe that it is in default under the Revolving Note and Security Agreement. Even if the notice were to be deemed a proper notice of default, the Revolving Note provides that the Company has 90 days from receipt of such notice to cure the default before an "event of default" occurs under the Revolving Note. If such an event occurs and is continuing under the Revolving Note, all unpaid principal, currently in the amount of approximately \$2.4 million, and accrued interest on the Revolving Note then outstanding may become immediately due and payable at the option of the Emalfarb Trust.
- As disclosed on the Company's Current Report on Form 8-K filed on October 1, 2007, Mark A. Emalfarb commenced an arbitration proceeding against the Company before the American Arbitration Association seeking monetary damages resulting from the termination of his employment with the Company for cause, asserting, among other things, that "cause", as defined in his employment agreement with the Company, did not exist and that his reputation had been damaged by the Company. The arbitration will be conducted in West Palm Beach, Florida. On October 22, 2007, the Company filed its answering statement in this arbitration proceeding. The Company is vigorously contesting and defending the arbitration proceeding; however, no assurance can be given as to the ultimate outcome thereof.
- On September 25, 2007, the day after Mark A. Emalfarb's employment with the Company was formally terminated for cause, Mr. Emalfarb commenced an action in Delaware Chancery Court seeking an order compelling the Company to give Mr. Emalfarb access to certain books and records of the Company that he had previously demanded access to in his capacity as a director of the Company. Prior to and after the commencement of the action, the Company agreed to provide Mr. Emalfarb access to certain books and records of the Company and has delivered to Mr. Emalfarb's counsel certain of the books and records of the Company which Mr. Emalfarb demanded access to. The Company is vigorously contesting and defending the action (insofar as it relates to books and records that the Company believes Mr. Emalfarb and/or his counsel should not be allowed access to), and is seeking attorneys fees and costs from Mr. Emalfarb in connection with the action. However, no assurance can be given as to the ultimate outcome of this proceeding.
- Effective as of March 21, 2007, the maturity date of the Revolving Note held by the Emalfarb Trust was extended from January 1, 2008, to January 1, 2009, pursuant to a Fourth Amendment to the Revolving Note between Dyadic International, Inc., as borrower, and the Emalfarb Trust, as lender. The Revolving Note, which currently has a principal balance of approximately \$2.4 million, plus accrued interest, and is secured by certain of the Company's assets, was not otherwise modified by such Fourth Amendment. The Emalfarb Trust has as its beneficiary Mark A. Emalfarb, a director of the Company and the former Chief Executive Officer and President of the Company. As of March 28, 2007, Mark Emalfarb, through the Emalfarb Trust, owned approximately 19.5% of the Company's outstanding shares of common stock. Further, the Francisco Trust U/A/D February 28, 1996, whose beneficiaries are the spouse and descendants of Mark Emalfarb, owned approximately 15.9% of the Company's outstanding shares of common stock as of March 28, 2007.

On October 23, 2007, the Company filed with the Securities and Exchange Commission a Current Report on Form 8-K, which includes discussion of the above-

mentioned items and related exhibits.

About Dyadic

Dyadic International, Inc. is a biotechnology company that uses its patented and proprietary technologies to conduct research and development activities for the discovery, development, and manufacture of products and enabling solutions to the bioenergy, industrial enzyme and pharmaceutical industries.

Cautionary Statement for Forward-Looking Statements

Certain statements contained in this press release are "forward-looking statements." These forward-looking statements involve risks and uncertainties that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion of these risks and uncertainties, please see our filings from time to time with the Securities and Exchange Commission, which are available free of charge on the SEC's web site at <http://www.sec.gov>, including our Annual Report on Form 10-KSB for the year ended December 31, 2006, and our subsequent filings with the SEC. Except as required by law, we expressly disclaim any intent or obligation to update any forward-looking statements.

Contact:

Berkman Associates
Investor Relations Counsel to Dyadic International, Inc.
Neil Berkman, 310-826-5051
info@berkmanassociates.com