

Dyadic Applied BioSolutions, Inc. (DYAI: NASDAQ)

DYAI: One Strain To Rule Them All

Our valuation approach employs a DCF model and a 15% discount rate. We assume a 22.5% probability of ultimate success for C1, based on historical drug approval rates and number of projects in the pipeline. The model assumes revenue contributions from sources worldwide.

Current Price (8/14/2025) **\$0.80**
Valuation \$9.00

OUTLOOK

Dyadic has developed C1, its proprietary fungal expression system that can produce a variety of recombinant proteins. C1 has been commercialized in industrial applications and is in development for production of pharmaceutical grade proteins. C1 exhibits potential to economically produce recombinant proteins, biologic vaccines, virus like particles, antibodies, Fc-fusion, enzymes, AAVs and other biopharmaceuticals.

In 2015, the company sold its industrial business to DuPont for \$75 million and retained the exclusive right to sublicense C1 for use in animal and human pharmaceutical applications. Proceeds from the DuPont sale provided cash for further development of the C1 platform for production of biologics. Additional R&D funding is provided by partners. Dyadic is working with several biopharmaceutical companies and government organizations to validate the technology and completed a Phase I trial evaluating the effectiveness of its COVID vaccine in 2023.

In the near term, we expect growing R&D revenue as additional partners are added with C1 and Dapibus and revenues related to albumin and DNase I in 2025.

SUMMARY DATA

52-Week High **2.20**
 52-Week Low **0.76**
 One-Year Return (%) **-41.2**
 Beta **0.9**
 Average Daily Volume (sh) **110,074**

Shares Outstanding (mil) **36.2**
 Market Capitalization (\$mil) **30.0**
 Short Interest Ratio (days) **0.5**
 Institutional Ownership (%) **13.9**
 Insider Ownership (%) **25.2**

Annual Cash Dividend **\$0.00**
 Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates
 Sales (%) **16**
 Earnings Per Share (%) **N/A**
 Dividend (%) **N/A**

P/E using TTM EPS **N/A**
 P/E using 2025 Estimate **N/A**
 P/E using 2026 Estimate **N/A**

Zacks Rank **N/A**

Risk Level **Above Average**
 Type of Stock **Small-Growth**
 Industry **Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue

(In millions of USD)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$0.3 A	\$0.4 A	\$2.0 A	\$0.8 A	\$3.5 A
2025	\$0.4 A	\$1.0 A	\$1.5 E	\$1.7 E	\$4.6 E
2026					\$5.5 E
2027					\$7.0 E

Earnings per Share

	Q1	Q2	Q3	Q4	Year
2024	-\$0.07 A	-\$0.07 A	-\$0.01 A	-\$0.05 A	-\$0.20 A
2025	-\$0.07 A	-\$0.06 A	-\$0.03 E	-\$0.02 E	-\$0.17 E
2026					-\$0.11 E
2027					-\$0.07 E

WHAT'S NEW

Dyadic Applied BioSolutions, Inc. (NASDAQ: DYAI) announced second quarter 2025 results and held its first conference call under its new name. As we look ahead to the remainder of 2025, we expect C1-derived product sales in three key markets: life sciences, food & nutrition and bio-industrial. President and Chief Operating Officer Joe Hazelton sat down for a series of interviews to discuss Dyadic's new strategy and to provide more detail on product revenue generating partnerships. Links are included to these conversations. Dyadic conducted an equity raise of \$5.3 million after the end of the quarter which is expected to fund the company until it reaches positive cash flow status. Work in global health continues with fully funded grant awards from the Gates Foundation and the Coalition for Epidemic Preparedness Innovation (CEPI). In the cell culture media market, Dyadic is focused on the trinity of albumin, transferrin and fibroblast growth factors that stabilize and transport nutrients, deliver iron for cell growth and trigger cell expansion. Additionally, the company is developing and validating prototypes for additional enzymes including RNase Inhibitors and T7 RNA Polymerase with results expected by year end 2025.

Second Quarter 2025 Operational & Financial Results

On August 13th, 2025, Dyadic published 2Q:25 operational and financial results in a [press release](#) and a [Form 10-Q](#) filing with the SEC. Further detail was provided in a [conference call](#) held with investors. Below are financial results for the three months ending June 30th, 2025, compared to the same prior year period:

- Revenues were \$1.0 million, up 150% from \$0.4 million. The increase comes from the recognition of grant revenue related to the Gates Foundation and CEPI awards and milestone revenue from the Inzymes Agreement;
- Cost of revenue totaled \$0.6 million, doubling from \$0.3 million;
- Research and development expense was up 22% to \$0.6 million from \$0.5 million with increases in outside contracted services, personnel and overhead all contributing to the change. The increases were related to a rise in the number of active internal research initiatives undertaken to expedite product development;
- General and administrative expenses were \$1.4 million vs. \$1.6 million, falling 11%. The change was largely due to lower business consulting expenses and other G&A expenses, with small declines in legal and professional services and compensation also contributing;
- Net loss amounted to (\$1.8) million versus (\$2.0) million. On a per share basis, net loss was (\$0.06) compared with (\$0.07).

As of June 30th, 2025, cash, equivalents and short-term securities totaled \$6.6 million compared to \$9.3 million at the end of 2024. Cash burn during the first half of 2025 was (\$2.1) million compared with (\$3.1) million for 1H:24. There were minimal financing cash flows in the first half compared to a net \$5.8 million in the same prior year period reflecting the net proceeds from the \$6.0 million convertible note issuance. Following the end of the quarter in July, Dyadic issued 6,052,000 shares of its stock, offered at \$0.95 per share. This generated gross proceeds of \$5.75 million and net proceeds of \$5.3 million. Funds will be used for product development, sales and marketing.

Exhibit I – Dyadic Commercialization Strategy



Source: [Dyadic July 2025 Presentation](#)

Chief Operating Officer Joe Hazelton Discusses Dyadic's New Strategy

In a series of interviews, Dyadic's Chief Operating Officer discusses the company's refined strategy to focus on product revenues in the life sciences, food & nutrition and bio-industrial markets. He shares some of the most important applications for C1 and Dapibus products. While Dyadic is centered on these new markets, it will work with partners in the biopharmaceuticals space that fully fund products and intend to take their project to commercialization. Click on the links below to access these podcast segments with Joe.

Exhibit II – Interview with Dyadic COO Joe Hazelton



Source: Screenshot from Dyadic COO Interview

- [Dyadic COO Introduction](#)
- [Dyadic Fireside Chat](#)
- [Dyadic Name Change Reflects Strategy Refinement](#)
- [Dyadic Product Revenues](#)
- [What is C1?](#)
- [Role of C1 in Biopharmaceuticals](#)
- [DYAI Non-Therapeutic Applications](#)
- [DYAI Research Collab Outtake](#)
- [Dyadic Other Collaborations](#)

EN3ZYME

Dyadic announced that its partner Fermbox Bio, with whom it had [announced](#) a deal back in May 2023, will fill a purchase order for a Dapibus-produced product called [EN3ZYME](#). It is a cellulase enzyme cocktail designed for the cost-efficient conversion of pre-treated lignocellulosic biomass into fermentable sugars. It allows for conversion of pre-treated biomass to generate fermentable sugars that can be used as an energy source such as ethanol and cellulosic sugars. Feedstock appropriate to EN3ZYME includes bagasse, cotton stalks, straw, corn husks, cane residue and certain kinds of woods. Fermbox' delivery of EN3ZYME to the customer is expected in 2H:25.

Competitive Advantage of C1 Produced Proteins

Consumers in the life sciences industry prefer recombinant proteins over animal derived product for their consistency, lack of impurities and sustainability. However, the barrier to wider use has been cost. With C1's efficient production ability, Dyadic asserts that recombinant bovine serum albumin can be manufactured at expense levels competitive with animal-based product. This has the potential of attracting market share from traditional sources as customers of these products recognize the value. In addition to the proteins that Dyadic has licensed to Proliant, there are others¹ that have received a certificate of analysis² and are exposed to attractive markets.

Deoxyribonuclease I (DNase I) is a critical and expensive input into manufacturing messenger RNA, producing proteins and enzymes, removing genomic DNA contamination and cell isolation procedures. In mRNA manufacturing, it helps ensure the purity and quality of the final mRNA product. Dyadic's C1 produced DNase I holds a certificate of analysis and the product is ready for non-GMP production and cGMP process development. Dyadic is seeking a partner to manufacture and commercialize DNase I. It is working with a contract development and manufacturing organization (CDMO) to produce it and sell into small markets itself. This is estimated to be a \$300 to \$500 million total addressable market. On the second quarter call, COO Hazelton noted that Dyadic had completed scale up and it is manufacturing research grade product with its CDMO. It is also negotiating OEM and supply agreements with potential customers.

Transferrin is next in line after DNase I and recent work has shown reliable performance metrics for withstanding temperature extremes in applications. Dyadic is reviewing scale up options and is producing small amounts of the glycoprotein for the research market. Before sales start in earnest, the company must complete the commercial manufacturing process.

Other raw material inputs to the mRNA enzyme market include another \$825 million in total addressable market such as TdT terminal transferase, T4 DNA ligase, RNase Inhibitor and T7 RNA polymerase. These markets are served by high-cost *e. coli* expression systems or natural sources, each of which has purity and cost limitations that are largely solved using the C1 expression system. Dyadic has enumerated many of the key products in human health where it can contribute significant benefits.

Exhibit III – Near Term C1 Product Pipeline

Life Sciences ¹					
Product Name	Channel	Expected Launch Status	2025	2026	2027
Human Albumin	Proliant	licensed	→		
DNase I	OEM/Direct	2025	→		
Transferrin	Direct/License	2026		→	
FGF	Direct/License	2026		→	
TdT, Ligases, RNase Inh.	OEM/Direct	2026		→	
Human Lactoferrin	Direct/License	2027			→
Human α-Lactalbumin	Direct/License	2027			→

Source: [Dyadic July 2025 Presentation](#)

¹ As of the latest update, Dyadic has received a certificate of analysis for DNase I, bovine albumin, bovine transferrin and bovine alpha-lactalbumin

² A Certificate of Analysis is a document that verifies that a product meets specified quality and consistency standards. When ensuring that expressed proteins are equivalent to another product (such as a reference protein or biosimilar), the CoA typically includes analytical test results and key quality attributes.

Exhibit IV – Near-Term Dapibus Product Pipeline

Food & Nutrition ¹					
Product Name	Channel	Expected Launch Status	2025	2026	2027
Non-animal dairy enzymes	Partnered - Inzymes	2025	→		
Bovine transferrin	Direct/License, food-grade	2025	→		
Bovine α-Lactalbumin	Direct/License, food-grade	2027		→	
Human α-Lactalbumin	Direct/License food-grade	2027		→	
Bio-Industrial ¹					
Product Name	Channel	Expected Launch Status	2025	2026	2027
Cellulosic enzyme cocktail	Partnered - Fermbox	2025	→		
Pulp/paper enzyme cocktail	Direct Sales/License	2026		→	
Hyaluronidase	OEM/Direct/License	2027			→

Source: Dyadic July 2025 Presentation

Milestones

- \$3 million grant from Gates Foundation – November 2024
- Proliant customer outreach for bovine/human albumin – 4Q:24 & 1H:25
- Proliant conducting scale up activities – 1Q:25
- Proliant takes orders for C-1 produced product – 1H:25
- Presentation at World Vaccine Congress – April 2025
- Fibroblast growth factors sampling – 2Q:25
- Renewal of VTT contract – July 2025
- Corporate name change to Dyadic Applied BioSolutions – August 1st, 2025
- Proliant \$500,000 productivity milestone – 3Q:25
- Proliant ships albumin orders – 2H:25
- Human lactoferrin research & pharmaceutical applications sampling – 2H:25
- Expanded enzymes (RNase inhibitors/T7 RNA polymerase) development & optimization results – late 2025
- Fermbox enzyme delivery – late 2025
- Launch of recombinant dairy enzyme (Inzymes) – late 2025

Summary

Dyadic reported second quarter results and guided investors to look ahead to product revenues from three end markets. It also executed a capital raise in July that should provide enough funds for Dyadic to reach positive cash flow by the end of next year. Parallel with its efforts with Proliant, the team will continue to advance other protein initiatives in DNase I and transferrin and work on the grant projects with the Gates Foundation and CEPI. We expect to see Dyadic continue to pick the low hanging fruit in the protein market so that it can evolve into a self-funding entity and pursue other recombinant markets in the animal health, food, and vaccine markets. In the meantime, Dyadic maintains a strong balance sheet, with minimal cash burn and potential revenue growth as the year progresses. Our primary focus remains on Proliant, dairy enzymes, DNase I and now EN3ZYME. We maintain our valuation of \$9 per share.

Research Collaboration Summary

Exhibit V – Summary of Dyadic Collaborations

Collaborator	Deal	Description	Date
Gates Foundation	Grant for \$3mm	RSV & Malaria mAbs	21Nov24
Fondazione Biotechnopolo di Siena	Grant funded partnership	Vaccine antigens & antibodies	3Q:24
Top 10 Global Dairy Company	Joint development agreement	non-animal alpha-lactalbumin	Aug '24
Proliant Health & Biologicals	Dev & commercial + profit share	Recomb human albumin	Jun '24
Biftek Inc	Co-promotion/Revenue share	Growth medium supplement	Mar '24
Top 10 Pharma	Fully Funded	Vaccine Antigen	3/25/24
Rabian BV	Fully Funded	Rabies vaccine	2/28/24
Israel Institute of Bio Research	Targeting commercialization	Emerging diseases & biothreats	Feb '24
Cygnus Technologies	Co-development	ELISA test	2/13/24
Unnamed Global Biopharma	Fully funded	4 recombinant proteins	2/6/24
Unnamed CDMO	Fully funded	Injected drug enzyme	11/8/23
Unnamed Multinational Pharma	Fully funded	mAbs for infectious disease	11/8/23
Unnamed Biopharma	Fully funded	mAbs for Ebola/Marburg	11/8/23
Vaccine & Immunotherapy Center	Antigen for infectious disease vaccine	Self Assembling Vaccine	10/5/23
bYoRNA SAS	Dev & commercial of mRNA production	mRNA vaccines/RNAi therapies	9/26/23
Inzymes	License agreement	Dairy enzymes/Food products	9/18/23
Animal Health Co.	Fully funded R&D collaboration	Livestock antigen	Jun-23
Fondazione Biotec di Siena	MoU for epidemic research	Vaccine & antibody develop	5/24/23
Uvax Bio	Research collaboration	Infectious disease vaccine	Jun-23
Fermbox Bio	Funded development & marketing	Animal free proteins	5/8/23
Top 5 Pharma	Research collaboration	Vaccine Antigen	2Q:23
ViroVax	Collaboration	Vaccine Candidates	2021
Top tier pharma company	Funded R&D collab & license agmt	Companion animal	mid-2022
Leprino Foods	Funded R&D collab & license agmt	Animal free proteins	5/11/22
Phibro Animal Health	Exclusive License - expanded Mar '24	Poultry/livestock vaccine-2 targets	2/10/22
Undisclosed academic collaborator	Fully funded R&D collaboration	Pharmaceutical / antibody	Nov '21
Rubic Consortium	Co-development research collaboration	COVID Vaccine Clin Trials	July'21
Syngene International	Co-development research collaboration	COVID Vaccine	May'21
IDBiologics, Inc	Expansion/Fully funded collaboration	mAbs for infectious disease	April '21
Unnamed Collaborator	Fully funded R&D collaboration	Viral antigen	3/11/21
CR20	Fully funded R&D collaboration	COVID antibody	4/22/21
TurtleTree Scientific	Fully funded R&D collaboration	Recomb protein growth factor	2/2/21
Epygen Biotech	Non exclusive license agreement	Paper & pulp enzymes	10/12/20
Jiangsu Hengrui Medicine	Fully funded R&D collaboration	Biologic drug development	9/17/20
Animal Health Co.	Funded feasibility study	Top 4	7/8/20
WuXi Biologics	Nonexclusive research license	Vaccine, drug, biologics	3/30/20
University of Oslo	Feasibility Study	Influenza antigens	3/17/20
Leading Animal Health Co.	Research funding, full	3 Protein Types	10/28/19
Top Tier Pharma	Proof of Concept (PoC)	3 Protein Classes	8/13/19
Microbial division	Fermentation evaluation	Microbial division	3Q:19
Affiliate	Evaluate & experiment with C1	C1 commercialization goal	4Q:19
Sanofi Aventis	PoC, Research funding	Biologics & Vaccines	9/1/18
Pharma 1	PoC, Research funding	undisclosed proteins	12/1/18
Pharma 3	PoC, Research funding	undisclosed proteins	4/1/19
Pharma 5	PoC, Research funding	undisclosed protein	4Q:19
VTT/Internal	CRO	Metabolites/Nivolumab	7/7/05

Source: Zacks Research, Dyadic corporate filings and Dyadic Press Releases.

PROJECTED FINANCIALS

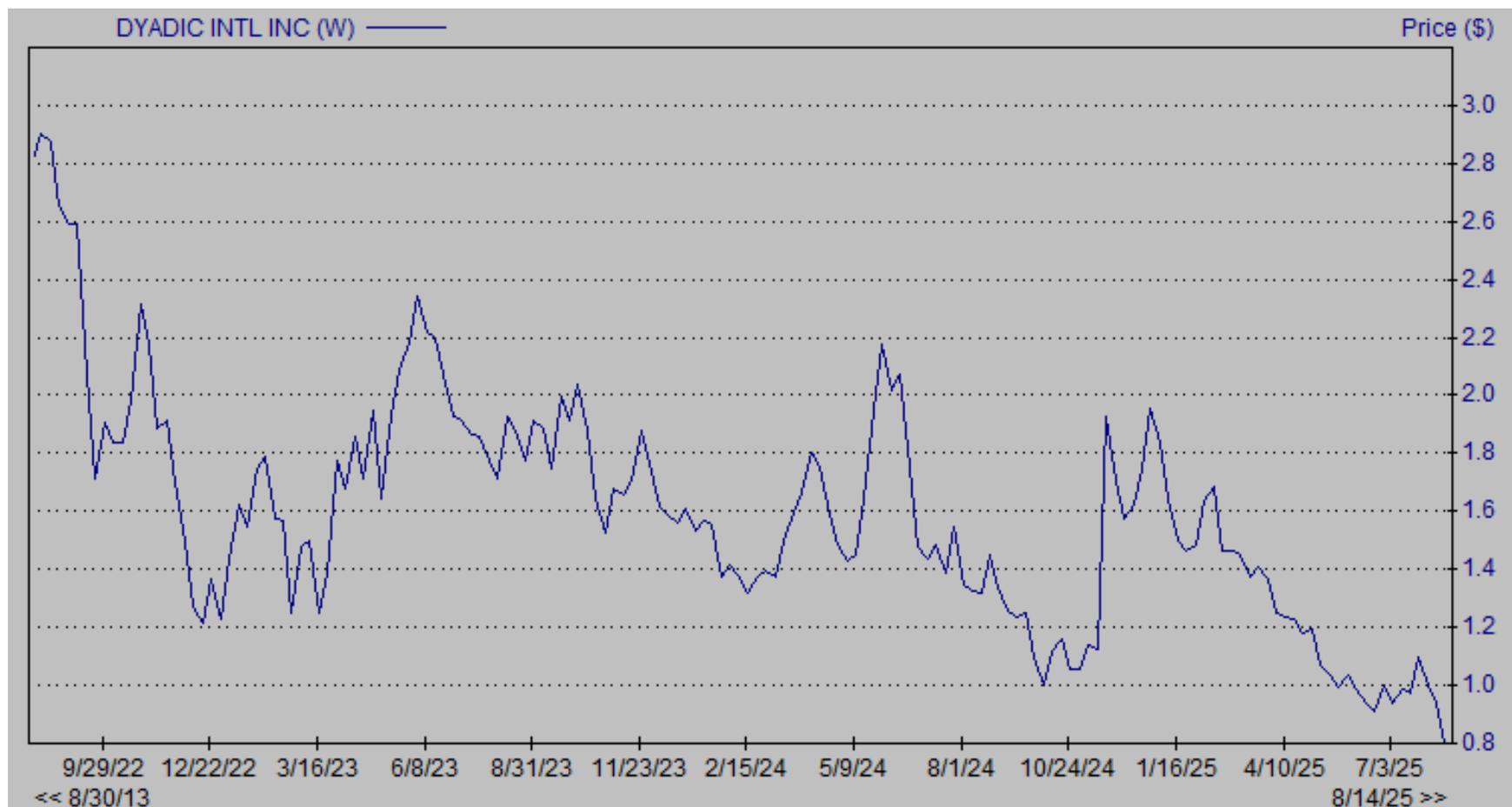
Dyadic Applied BioSolutions, Inc. - Income Statement

Dyadic International, Inc.	2024 A	Q1 A	Q2 A	Q3 E	Q4 E	2025 E	2026 E	2027 E
Total Revenues	\$3.5	\$0.4	\$1.0	\$1.5	\$1.7	\$4.6	\$5.5	\$7.0
YOY Growth	21%	18%	150%	-23%	108%	30%	21%	27%
Cost of Revenue	\$1.2	\$0.3	\$0.6	\$0.6	\$0.6	\$2.1	\$2.8	\$0.0
R&D	\$2.0	\$0.5	\$0.6	\$0.6	\$0.6	\$2.3	\$2.5	\$5.5
G&A	\$6.1	\$1.6	\$1.4	\$1.4	\$1.4	\$5.8	\$4.8	\$4.8
Foreign Currency Exchange	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Income from operations	(\$5.9)	(\$2.0)	(\$1.7)	(\$1.1)	(\$0.9)	(\$5.7)	(\$4.6)	(\$3.3)
Operating Margin	-169%	-509%	-179%	-73%	-53%	-125%	-84%	-47%
Interest Income	\$0.5	\$0.1	\$0.0	\$0.2	\$0.1	\$0.4	\$0.5	\$0.5
Other	(\$0.4)	(\$0.1)	(\$0.1)	\$0.0	\$0.0	(\$0.2)	\$0.0	\$0.0
Pre-Tax Income	(\$5.8)	(\$2.0)	(\$1.8)	(\$0.9)	(\$0.8)	(\$5.5)	(\$4.1)	(\$2.8)
Provision for Income Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	(\$5.8)	(\$2.0)	(\$1.8)	(\$0.9)	(\$0.8)	(\$5.5)	(\$4.1)	(\$2.8)
Net Margin	-166%	-515%	-186%	-63%	-47%	-121%	-75%	-40%
Reported EPS	(\$0.20)	(\$0.07)	(\$0.06)	(\$0.03)	(\$0.02)	(\$0.17)	(\$0.11)	(\$0.07)
Shares Outstanding	29.32	29.89	30.10	35.00	36.50	32.87	37.00	38.00

Source: Company Filing // Zacks Investment Research, Inc. Estimates

HISTORICAL STOCK PRICE

Dyadic Applied BioSolutions, Inc. – Share Price Chart³



³ Source: Courtesy of barchart.com

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