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From the Triangle Business Journal:

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Salt-sucking sponge startup Tethis eyes Zebulon for manufacturing ops

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Fresh off a \$1.1 million funder, Tethis, co-founded by Raleigh entrepreneur Scott Bolin, is building a new manufacturing facility in Zebulon.

From its lab off of Capitol Boulevard, the firm has shifted strategies since its inception five years ago out of N.C. State University. Back then, Bolin was thinking his technology could be used to purify water in fracking applications. Over the years, he's realized the applications for the polymer can go even further – from diapers to construction materials.

Tethis uses a manufacturing machine called an extruder – something Bolin equates to "an industrial noodle maker." But instead of using it



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Scott Bolin, co-founder and CEO of Tethis, works with the company's product, a highly absorbent chemical with a vareity of industrial and commercial uses.

just to form shapes, Tethis performs several stages of complex chemistry during extrusion. Through that process, researchers discovered some of the materials were not only sucking up water, but retaining the liquid.

That got him and others thinking about the diaper industry, which has been largely unchanged for decades.

A recent report published by Grand View Research puts the baby diapers market at \$64.6 billion by 2022, with biodegradable diapers projected to witness the highest growth rate. And that's the niche Tethis hopes to fill, replacing the most expensive part of a diaper – a petroleum product called sodium polyacrylate – with a greener alternative.

<u>Tom Darden</u>, CEO of Raleigh's Cherokee Fund, was one of Tethis' first backers. He points out that, since typical diapers are a mix of that plastic powder and paper, they can't be recycled.

"If you had a baby diaper that is made up of paper and the Tethis product ... you'd have a waste product

diaper that would be fully recyclable," he says.

Tethis creates its polymer from modified corn starch, which also absorbs and retains water. And the material isn't limited to diaper applications. The same technology can act as a thickener for cosmetics products such as hair gel and toothpaste. It could even be deployed in building materials.

"There's a lot of possibility," Bolin says.

Tethis has been talking to potential partners in multiple industries. Currently, the technology is being tested by some of those companies – though Bolin says he can't disclose specifics.

The manufacturing plant is the next step in making commercialization possible, Bolin says.

The company hopes to open a 15,000-square-foot facility in Zebulon in August, a move that will mean more hires. The new plant will be capable of generating 700 tons of the material each year. While he calls that figure "hilariously small" for a diaper company, "at least it gets the ball rolling."

Darden calls the new facility a "huge deal." Considering other applications, from sheet rock replacement to "food applications," and the potential for his investment is significant, he says.

Tethis' latest debt round, disclosed this week in a securities filing, brings the firm's venture haul to more than \$4.6 million. Eighteen investors participated in the latest round, according to the filing.

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