

Greenlight Raises \$300K

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Greenlight President and CEO James Wylde

Halifax cannabis testing startup Greenlight Analytical has raised nearly \$300,000 of equity funding in a significantly oversubscribed seed round.

When the company bagged a \$374,000 loan from the Atlantic Canada Opportunities Agency last year, the money was conditional on Greenlight also raising private capital. A group of 15 angel investors subsequently bought in for about three times as much money as CEO James Wylde had planned.

Wylde said in an interview that the extra money will help Greenlight accelerate its commercialization efforts, with the goal of entering the Atlantic Canadian and New England markets in the first or second quarters of next year.

“That investment really lets us fully leverage the ACOA money,” he said. “It gives us the capital we need to commercialize the product and get us into some of our early adopters. Our go-to-market strategy is to work with a few key [cannabis] producers... And then, as the product is validated, we spread the fan accordingly.”

The raise was spearheaded by Boston angel investor Henry Kay, who Wylde met when Kay gave a presentation about venture capital at Innovacorp. Kay also now sits on Greenlight’s advisory board.

As well as the \$300,000 of angel investment, Greenlight will also commercialize its technology with the help of \$40,000 of non-dilutive funding and in-kind services from last year’s GreenShoots program -- a funding and training program for life sciences startups run jointly by the Nova Scotia Innovation Hub, Innovacorp and the Ontario-based Bioenterprise Corporation.

Greenlight, which relocated to Halifax from Ontario in 2019, has developed a modified mass spectrometer – a machine that analyzes the chemical composition of substances and lists their contents – paired with an artificial intelligence system that will translate the spectrometer’s output into an easily understandable format.

Cannabis growers usually rely on lab-testing to check the health and chemical contents of their products, including for regulatory compliance. But sending samples to laboratories can take weeks, and by the time growers find out about a problem with their crops, it may be too late to correct the issue.

Wylde said the mass spectrometer will be manufactured in Nova Scotia, probably in Halifax. He is in the process of scouting possible locations for a factory, including Burnside and the Chain Lake area.

To build the device’s components, he plans to enlist the help of other local companies, such as Halifax’s Enguinity and Sydney-based advanced

manufacturing specialist Protocase.

In the meantime, Greenlight is a resident company at the Emera ideaHUB. Despite the pandemic limiting office access, Wylde said the incubator has been crucial to his company's growth.

"We had originally planned to set up there, not only for office space, but for some early prototyping and testing," he said. "Of course, the pandemic put the kibosh to all of that.

"But even since then, the community around the hub... there's been a lot of synergy there. It's been the culmination of a lot of really small things. If we're looking for a part and we don't know where to find it, chances are, somebody at the Hub has been able to help us with finding that."

Much of the software that runs on Greenlight's mass spectrometer has also been the result of research and development partnerships with Dalhousie and Acadia Universities, including an artificial intelligence system that interprets the device's complex testing output in a way that is understandable to lay people.

Wylde plans to use Atlantic Canada and New England as Greenlight's "beachhead markets," and has already started customer discovery and marketing efforts in both regions.

Later, he hopes to expand across Canada and the United States, with the American market playing a larger role in his plans than he originally anticipated, thanks to snowballing legalization at the state level. Last month, Connecticut became the 19th state to legalize recreational marijuana.

To facilitate the rollout, Wylde hopes to have 10 full-time employees by the end of the year -- up from his current roster of four full-time staff and six part-time. About four of the new hires will be technical staff, with backgrounds in

chemistry, engineering or computer science. The rest will be marketing and communications specialists.



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