

Palitronica Closes Series A Funding Led by BDC, with Three Kings Capital, Frostbite, and Unpopular Funds

Funding to accelerate AI-powered cybersecurity innovation, expand enterprise partnerships, and scale global operations

WATERLOO, ON, CANADA, August 11, 2026 /EINPresswire.com/ -- Palitronica Inc., the Canadian innovator in physics-based hardware/firmware cybersecurity and quality assurance for safety-critical manufacturing and defense infrastructure, today announced the successful closing of its Series A financing round led by the Business Development Bank of Canada (BDC)'s Industrial Innovation Venture Fund, with participation from Three Kings Capital, Frostbite, and Unpopular Ventures.

This funding round follows Bell Textron's selection of Palitronica solutions to provide state-of-the-art cyber assurance to critical electronics for the MV-75 Cheyenne, formerly known as the U.S. Army's Future Long Range Assault Aircraft (FLRAA) program.

Palitronica's unique solutions, rooted in deep physics and AI, are well-positioned to serve sectors such as aerospace, automotive, and heavy utilities, and in general, safety-critical manufacturers frustrated by the limits of traditional electronics testing. Moreover, defense organizations are desperate to reduce the time-to-operations by embracing zero-trust-capable commercial-off-the-shelf (COTS) solutions rather than the traditional years-long cycle military platforms.

"The cyberthreat landscape is being reshaped by a tectonic shift from attacks on traditional IT front office targets to exploitation of embedded electronics at the heart of communications, transportation, and even defense technologies," said Sebastian Fischmeister, co-founder and chief strategy officer at Palitronica. "Traditional electronics testing paradigms leave manufacturers and defense contractors vulnerable to otherwise obscured supply chain."

Effective with this funding round, Matthew Monteyne, previously the chief operating officer, will step up as the new chief executive officer. "Based on our technological achievements and organic business growth, it's the right time to expand global operations to support these vulnerable markets," Monteyne adds. "We are excited to partner with investors who share our long-term vision for transforming electronics resilience through previously untapped physics and AI."

“As industrial systems become increasingly connected, ensuring the integrity of electronic components in critical infrastructure and advanced manufacturing is increasingly important,” said Byron Thom, Partner at the BDC Industrial Innovation Venture Fund. “Palitronica addresses this challenge by combining AI with physics-based analysis to enhance the resilience of complex supply chains. The investment aligns closely with BDC’s mission to support Canadian companies that strengthen industrial and defense capabilities while building globally competitive technologies.”

This investment round follows previous investments from Ontario Vehicle Innovation Network (OVIN), Y Combinator, Innovative Solutions Canada, and the Industrial Research Assistance Program (NRC IRAP)

The company plans to use the capital to accelerate research and development across its AI and cybersecurity platform; expand engineering, product, and go-to-market teams; deepen integrations and enterprise capabilities; scale customer acquisition and strategic partnerships; and, support international growth initiatives.

Since its founding, Palitronica has focused on helping organizations modernize supply chain assurance and build resilient, hardened electronics. The company has experienced strong momentum across manufacturers in the automotive space and next-generation military hardware sectors.

Additional supporting quotes from Frostbite Capital and Unpopular Funds may be inserted below:

"We are excited to back Palitronica as its physics-based testing becomes essential for assurance across today's Zero Trust supply chains." — Alex Lee, director of Frostbite Capital

“Securing the hardware supply chain has become a critical global imperative. We are thrilled to back this brilliant team as they scale their operations and set a new standard for physical cybersecurity.” — Peter Livingston, founder and general partner, Unpopular Funds

About Palitronica

Palitronica, Inc., is the pioneer of electronics hardware testing assurance solutions that combine deep physics and artificial intelligence to ensure electronic functional robustness, resistance to embedded-silicon cyber threats, and confirmed compliance in zero-time-to-exploit in safety-critical manufacturing, including automotive, aerospace, critical infrastructure, and defense infrastructure. For more information, visit www.palitronica.com.

Mark Sangster
Palitronica
+1 226-808-7280
[email us here](#)

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