

**Visibility:** Good

**Current:** Moderate

Happy New Year backers! The last couple of weeks have been dedicated to quality time with loved ones and although our offices may have been closed, that didn't stop our team from sneaking in some productivity during the holiday season (don't tell our families). We've got some good news for you and are excited to officially be in the year that Nemo hits the market!

**Report:**

Over the holidays, the engineering team ran a Nemo prototype for about 6 days straight on the life cycle breathing machine (this equals hundreds of dives) before experiencing a failure. The team has been sifting through the data and the physical model to decipher what went right and what went wrong. Conclusions are being verified with more testing throughout the weekend as we inch closer to the final design for injection molding. It appears the diaphragm issue has been solved, but we want to be absolutely certain before solidifying the design. We've drastically improved our custom bearing races by opting for a more durable material. The races are also replaceable, however, they have sustained the maximum hours of operation without needing to be replaced.

We've made so much progress in the past few weeks that the injection molding team now has enough information to start putting together a production plan that meets our May deadline. We hope to be starting on the molds in the coming weeks.

Most of the time-consuming materials have been ordered and are officially on their way to BLU3 HQ. We are finishing up the final design of our CNC-cut foam, a new sample is arriving early next week and if all is good, we will place the order. Our initial plan was to cut the foam in-house at BLU3, but we've found that it will likely be more cost-effective to outsource. Also, it'll give the team more time to focus on setting up the manufacturing of other Nemo parts.

**Forecast:** We'll be finalizing all designs in the coming weeks and be moving toward production in alignment with our new delivery dates. Nemo is shaping up to be everything we'd hoped for and our team is getting more and more exciting for you to experience what we've been working so hard to bring to you. We'll have another update for you in mid-January – until then, enjoy 2019!

???? BLU3 Team