



Sommarine
Limited

Annual Report 2024



TABLE OF CONTENTS

C.E.O STATEMENT

CEO'S MESSAGE	3
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INTRODUCTION

LEGAL REGISTRATION AND STRATEGIC PLANNING	4
MOBILIZATION OF FUNDS AND RECRUITMENT OF KEY STAFF	

LAND ACQUISITION AND PREPARATIONS	5
CONSTRUCTION OF THE BOAT BUILDING WAREHOUSE	
ACQUISITION OF HULL MOLDS AND PROCUREMENT OF RAW MATERIALS	

STRATEGIC PARTNERSHIP WITH SERANDIB MARINE SOLUTIONS (PVT) LTD	
FINANCIAL OVERVIEW AND INVESTMENT SUMMARY	
YEAR TWO OBJECTIVES AND FUNDING REQUIREMENTS	



ADDRESS
Fanole District,
Kismayo City
Jubaland, Somalia

Phone: +252612494195
Contact Person: Qays Abdirahman Osman
Email: qosman@sommarineltd.com
Website: <http://sommarineltd.com>

C.E.O Statement

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As we mark the end of Sommarine's first year, I am filled with immense pride and gratitude for the journey we have embarked on together. This year has been a transformative period for our company, laying the groundwork for what I believe will be a future defined by innovation, resilience and growth. Reflecting on this past year, I am deeply appreciative of the dedication and hard work demonstrated by our team, the trust and commitment of our investors, and the invaluable support from our partners.

It has been a year of setting a solid foundation one built on a shared vision and a steadfast belief in our mission. While the details of our achievements are captured within this report, I want to take a moment to acknowledge the collective effort that has made all of this possible.

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Each milestone we have reached, each challenge we have overcome, has been a testament to the strength of our team and the unwavering support of our stakeholders. Your confidence in our vision and your contributions have been the driving force behind our success.

Looking ahead, I am excited about the opportunities that lie before us. As we move into our second year, we will begin to see the fruits of our labor materialize as we transition from planning to execution. The journey ahead will require continued dedication, innovation, and teamwork, and I am confident that, together, we will achieve even greater heights.

I want to extend my heartfelt thanks to everyone who has been a part of this journey so far. Your hard work, passion, and belief in Sommarine have been the foundation of our achievements. As we continue to build on this momentum, let us remain focused on our goals, driven by our vision, and committed to delivering excellence in everything we do.

Thank you for being a part of this incredible journey. Together, we are poised to make a lasting impact in the boat manufacturing industry, and I am excited for what the future holds for Sommarine.

Sincerely,

Qays Abdirahman Osman
CEO, Sommarine Limited.

Qays Osman



Introduction

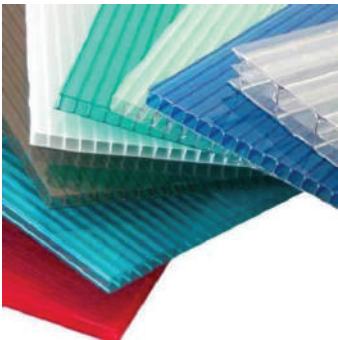
Sommarine is pleased to present its annual report for the first year of operation, marking a significant milestone in our journey to establish a leading boat manufacturing enterprise. This report outlines the achievements of the past year, during which we successfully laid the foundation for our business as per our five-year strategic plan. The initial setup activities, including legal registration, business planning, fundraising, staff recruitment, land acquisition, infrastructure development, strategic partnerships and procurement, were all completed within the planned time and budget of \$600,000, funded exclusively by our Directors. As we transition into the second year, we are focused on scaling our operations and expanding our market presence, requiring an estimated \$1.6 million in additional funding from various sources.

Year One Achievements

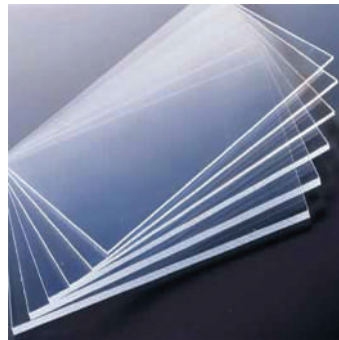
1. Legal Registration and Strategic Planning

The first step in establishing Sommarine was to secure the necessary legal registration to operate as a boat manufacturing company in Somalia. This process involved comprehensive coordination with local regulatory bodies to ensure full compliance with all relevant laws and regulations. The successful registration provided a strong legal foundation for our business, instilling confidence among stakeholders and setting the stage for future growth.

In parallel with the registration process, Sommarine developed a comprehensive five-year business plan and work plan. These documents outline our strategic vision, goals, and the actions needed to achieve our objective of becoming a regional leader in boat manufacturing. The business plan includes detailed market analysis, operational strategies, financial projections, and risk management frameworks, providing a clear roadmap for sustainable growth and long-term success.



FIBER **POLYCARBONATE** SHEET



CLEAR FIBERGLASS SHEET



EPOXY FIBERGLASS SHEET



FIBER GLASS
TRANSPARENT SHEET COLOUR

2. Mobilization of Funds and Recruitment of Key Staff

With the legal and strategic frameworks in place, Sommarine focused on mobilizing the necessary funds to support its initial setup activities. Through a combination of equity investments from directors, government incentives, and strategic partnerships, we successfully raised approximately \$600,000. This funding, exclusively provided by our investors, was crucial for covering the initial costs associated with establishing our operations.

Simultaneously, we initiated a targeted recruitment process to build a core team of skilled professionals essential for the company's success. Our recruitment strategy was focused on attracting experienced professionals with a deep understanding of the boat manufacturing industry and a commitment to Sommarine's vision. This team includes administrative personnel, technical experts, and support staff who are crucial for managing day to day operations and driving the company's strategic objectives forward.

3. Land Acquisition and Preparations

A key achievement during the first year was the acquisition of 4.5 acres of prime land along the Kismayo seashore. This location, strategically chosen for its proximity to key maritime routes, was provided by the government as an incentive to support the development of the boat manufacturing sector. The land acquisition process was completed smoothly, thanks to the coordinated efforts of our legal and administrative teams.

Following the acquisition, extensive land preparation activities were undertaken to prepare the site for construction. These activities included site clearing, grading, and the installation of essential infrastructure such as utilities and access roads. These preparations were vital in laying the groundwork for constructing our state-of-the-art building warehouse, ensuring readiness for future expansion and operational efficiency.

4. Construction of the Boat Building Warehouse

The construction of the boat warehouse was another significant milestone achieved in our first year. This facility, now fully operational, serves as the central hub for all manufacturing activities. The warehouse is designed to accommodate various stages of boat production, from assembly to finishing and quality control, and is equipped with modern tools and technologies to support efficient production processes.

The flexible design of the warehouse allows for future expansion to accommodate increased production capacity. This strategic foresight is part of our commitment to meeting market demand and ensuring that we can quickly adapt to changes in the industry environment. The completion of this facility represents a significant step forward in realizing Sommarine's strategic objectives and establishing a robust operational base.

5. Acquisition of Hull Molds and Procurement of Raw Materials

In line with our commitment to quality and excellence, Sommarine invested in specialized hull molds necessary for producing two initial boat models: the 6 meter and 10.5-meter boats. These molds are critical for maintaining consistent quality and ensuring all boats meet international standards, reinforcing our reputation for reliability and durability.

In addition to the molds, we successfully procured the first batch of raw materials required for boat manufacturing. This procurement was a crucial step in preparing for the commencement of production activities. With these materials, Sommarine is poised to begin full scale production, ensuring a steady supply of boats to meet the anticipated market demand.



6. Strategic Partnership with SERANDIB MARINE SOLUTIONS (PVT) LTD

Recognizing the importance of technical expertise in the boat manufacturing industry, Sommarine established a strategic partnership with Serandib Marine Solutions (Pvt) Ltd, a respected marine solutions company based in Colombo, Sri Lanka. This partnership has been instrumental in providing technical support and guidance during the critical setup phase of our operations.

As part of this agreement, Serandib Marine Solutions has seconded six experienced technical experts to Sommarine. These experts are now integrated into our team, providing hands-on training and guidance in boat manufacturing techniques. Their expertise has been invaluable in establishing efficient production processes and ensuring adherence to international best practices. This collaboration has significantly enhanced our technical capabilities and reinforced our commitment to quality and innovation.



7. Financial Overview and Investment Summary

During the first year, Sommarine invested approximately \$600,000, funded exclusively by our investors. These funds were strategically allocated across various activities essential for establishing a solid foundation, including legal registration, business planning, fund raising, staff recruitment, land acquisition, land preparation, warehouse construction, the purchase of hull molds, procurement of raw materials, and the strategic partnership with *SERANDIB MARINE SOLUTIONS*.

Despite these substantial initial investments, Sommarine has maintained a strong financial position through prudent financial management and strategic resource allocation. The company's financial stability ensures sufficient capital reserves to support ongoing operations and future expansion plans. Our investors' commitment has been crucial in achieving these results, and we remain focused on delivering value to them through effective management and strategic growth initiatives.

8. Year Two Objectives and Funding Requirements

As Sommarine enters its second year, the focus will shift from foundational setup activities to full-scale production and market expansion. With all necessary elements in place, the company is ready to begin manufacturing and explore new growth opportunities.

To achieve the objectives outlined for Year Two, Sommarine will require approximately \$1.6 million. This funding will support several critical activities, including:



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