

To members of
Bostadsrättsföreningen
Sverigehusets Kubik 1, 2 and 3

Information regarding the merger 2021

Proposal from the boards



Three tenant-owner associations want to become one



Since 2020, the boards have held discussions about a possible merger of the associations. We have now come so far in the process that it is time for the members to have their say through their final approval and to then carry out the merger.

The purpose of a merger is to simplify the management of the associations and properties, reduce the associations' costs and administration and strengthen the association by becoming larger, with more people who can get involved in board assignments or other assignments in the association.

For you as a member, the merger does not mean any direct changes. For example, the annual fee will not be affected by the merger.

We hope this material is sufficient for you to form an opinion about the merger. If not, you are welcome with questions to the boards.


Andreas Kronberg
Chairman of Kubik 1


Eric Lofström
Chairman of Kubik 2


Anders Markström
Chairman of Kubik 3



Benefits of a merger

Easier decision making

Cuts in administrative burden

Clearer towards members and suppliers

Future major maintenance and repair work can be run more efficiently and more economically

Lower purchasing costs due to larger volumes and economies of scale

The risk of future disagreements is eliminated



What happens next?

This information material is distributed

Members can send questions to the boards

Invitation is sent to extraordinary general meetings (EGM) in Kubik 2 and 3

EGM in Kubik 2 and 3 are held by postal ballot

Merger is carried out and the associations become one

EGM in Kubik 1 for election of a new board

Two EGMs in Kubik 1 for change of name

What are the benefits of a merger?



The boards have not been able to find any disadvantages in addition to the non-recurring costs that a merger would entail. The costs of reviewing the merger plan and cost calculation, fees to the Swedish Companies Registration Office and extra financial administration mean that the total cost of the merger ends up at approximately SEK 50,000.

Easier coordination

Many issues where uniformity and coordination are required or desired become easier to deal with.

Examples of such are statutes, rules of procedure, disturbances, insurance issues, fire protection, website and communication to members.

Questions regarding community facilities, such as those concerning the design and maintenance of the inner courtyard, garage, waste management, littering and bicycle storage, will be handled faster and easier.

Easier to recruit committed, motivated and competent members of the board.

Procurement of goods and services should result in lower costs through larger volumes.

Future major maintenance and repair work should be able to be run more efficiently and more economically through coordinated procurements at once and, for example, execution in stages over time.

The work with association administration such as planning and implementation of meetings, nomination committee, board minutes, accounting, financial statements, auditing, etc. is reduced.

The risk of future disagreements between the associations, with accompanying disharmony and unnecessary costs, disappears.

The merger creates better conditions for the future economy than what the associations can achieve individually. Coordination and economies of scale will provide savings. In addition, the financial risk becomes smaller as it is distributed among more people.

Economic benefits

The members of the boards have done their best to be objectively convinced that no association will lose financially by merging with the others. We have analyzed and assessed this and advocate a merger.

The financial situations of the associations are almost equivalent. The differences between them are negligible or temporary in time and we judge that they essentially cancel each other out.

The largest cost items in the tenant-owner associations are interest and repayments of the associations' loans as well as costs for energy. These are not affected by the merger.

The cost items that are affected include technical and financial management, fees to auditors, insurance, fees to industry organizations and consulting fees. We hope that we will be able to achieve cost savings of at least SEK 50–100,000 per year through the merger.

At present, all associations must keep their own liquid funds available for unforeseen expenses and cost variations. In an association, this excess liquidity can be better optimized, for example used for loan repayments.

The new larger association also becomes less sensitive and more easily absorbs individual cost variations and risks than the current ones can do individually. We are satisfied with the development of the economy in our associations.

Our associations today

When Sverigehuset built Kubik 1 with occupancy in September 2019, Kubik 2 with occupancy in December 2019 and Kubik 3 with occupancy in March 2020, a division was made into three tenant-owner associations. number of apartments in a new association before starting a construction. Since we have many things in common, there is already a community facility (Gothenburg Rambergsstaden GA:9) to take care of Orangeriet, the environmental house in the courtyard, bicycle storage, technical room, etc.

We also have Samfällighetsföreningen Lundbypark Garage 1, which co-owns the parking garage below the property (Göteborg Rambergsstaden GA:10) and the inner courtyard (Göteborg Rambergsstaden GA:11). Our three associations own 67% of the parking garage and Bostadsrättsföreningen Göthe owns the other 33%. For the courtyard, the figures are 61% and 39%.

All the associations are doing well financially. Like most young tenant-owner associations, we have large loans, but in return no need for major and costly repairs and renovations for a long time.

Unlike many other newly built properties, we have so far not found any major shortcomings in the construction. The two-year inspection for Kubik 1 will be carried out very soon, but there is no indication that anything serious will be discovered.

From an economic perspective, the associations are very similar to each other, which of course makes a merger easier.

None of the associations have increased their annual fees and otherwise also followed the financial plans that existed from the start of each association and today are basically charging the same fee for corresponding apartments in all associations.

There has not been any investments in the properties that make the associations different from an economic perspective.

How does a merger go?

Merger by absorption

We have chosen to merge through absorption, where Kubik 1 is the acquiring association (because Kubik 1 is the older of the three associations) and Kubik 2 and 3 which are transferring associations. This means that Kubik 1 takes over all agreements and connections from the other associations. You who are a member of Kubik 2 or 3 will instead become a member of Kubik 1. You who is currently a member of Kubik 1 will continue to be so even after the merger, but the association will then be larger.

When the merger is completed, everyone will be a member of Kubik 1.

Draft terms of merger

The merger is based on the draft terms of merger drawn up by the boards of those associations.

Together with the annual reports and the auditor's statement, the draft terms of the merger have been sent to the Swedish Companies Registration Office who registered and approved the draft terms of merger on August 24, 2021.

Tenant-owner associations are economic associations and mergers between economic associations are regulated in the Swedish Act on Economic Associations (2018: 672), Chapter 16. It describes, step by step, how a merger between two economic associations should take place.

1

Merger plans are created and registered

2

Merger plan is approved at the EGM

3

Merger is carried out and registered

Draft terms of merger

The draft terms of merger functions as an agreement between the associations on what the new association will look like after the merger. At the earliest one month after the draft terms of merger has been registered, an extraordinary general meeting of Kubik 2 and 3 must decide to apply for a permit to carry out the merger and the draft terms is valid if at least two-thirds of the voters have voted for it.

Extraordinary general meeting

Members of Kubik 2 and 3 will soon be called to extraordinary general meetings.

Provided that the meetings decide to implement the merger, the application for permission to execute the merger shall be sent to the Swedish Companies Registration Office. Provided that no supplier or other creditor to the associations opposes the merger, permission is granted after two months and the boards can then jointly complete the merger and report this to the Swedish Companies Registration Office.

Share figures and annual fees

Share percentage

With the merger, your apartment's share percentage will be recalculated. The share is both a share of the association's total annual fees and a share of the association's assets.

The new percentages are set so that the annual fees remain unchanged. The percentage is how large a part of the tenant-owner association you "own". As the association becomes about three times as large, your share will make up a smaller percentage of the total, but your share will still be worth the same amount.

The same piece of cake

You get a smaller share in a larger association that mathematically corresponds to your current larger share in a smaller association.

Your piece of cake will be the same size but taken from a larger cake.



Share
percentage



Same annual
fee



The same
capital

Capital

Since the percentage is the same for annual fees and assets, the theoretical asset value will differ slightly depending on which association you belonged to before the merger. However, the difference is very small and we have chosen to continue to have the same percentage for both the annual fee and capital even after the merger.

Exact figures

See preliminary new percentages and unchanged annual fee for your particular apartment.

You can find the complete material (in Swedish) at <http://fusion.kubik3.se>.

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