

No: 071/25

10th April 2025

TO: ALL POSTAL BRANCHES

Dear Colleagues,

OFFER BY EP GROUP- UPDATE

A number of Members have raised queries in relation to EP Group's proposed takeover of International Distribution Services plc ("IDS") (the "Offer"), which as you will know was approved by the UK Government in December 2024. We are writing now to provide an update on the Offer process which we hope will address some of the queries raised with us. This update has been approved by our legal advisers.

PLEASE NOTE THAT THE COMMUNICATION WORKERS UNION IS NOT PROVIDING ANY FINANCIAL OR TAX ADVICE RELATING TO THE OFFER, OR PROVIDING ANY VIEW OR RECOMMENDATION ON WHETHER OR NOT MEMBERS SHOULD ACCEPT THE OFFER. ALL MEMBERS SHOULD SEEK THEIR OWN LEGAL AND FINANCIAL ADVICE IN CONNECTION WITH THE POTENTIAL CONSEQUENCES OF THE OFFER.

As you will be aware from the documents relating to the Offer included on IDS' website: (<https://www.internationaldistributionservices.com/en/investors/recommended-offer-for-ids-plc-by-ep-uk-bidco-limited/>), the Offer is subject to a number of conditions, including conditions regarding regulatory approvals in various countries.

- EP Group announced on 2 April 2025 that all such regulatory conditions have now been satisfied.
- EP Group has also confirmed that the latest date by which the Offer may become unconditional under the Takeover Code is 30 April 2025 (the "**Unconditional Date**"), and it currently expects that the Offer will become unconditional by this date.
- EP Group has confirmed that the Offer will become unconditional if valid acceptances of the Offer are received by 30 April 2025 in respect of IDS shares representing 75% of the voting rights of IDS.

In response to questions that Members have raised with us, we have set out below some potential scenarios for what may happen if acceptances received by the Unconditional Date are above or below the 75% threshold.

Acceptances received total less than 50% of Voting Rights

The Offer will lapse (not proceed) as the Takeover Code does not allow a takeover offer to proceed if it is accepted by shareholders holding fewer than 50% of Voting Rights.

- All shareholders that currently hold shares in IDS will continue to do so and IDS will remain a listed company.

Acceptances received total more than 50% but less than 75% of Voting Rights

In this scenario, the Offer could still proceed if IDS and EP Group agree to a lower acceptance threshold.

A lower acceptance threshold is agreed between IDS and EP Group

- Shareholders that accept the Offer will have their shares acquired by EP Group at the Offer Price of 370p per share (the "**Offer Price**").
- Shareholders that do not accept the Offer will continue to hold their shares.

EP Group could seek shareholder approval to delist IDS from the London Stock Exchange and / or re-register as a private company. If a de-listing resolution and a resolution to re-register as a private company were to be passed, shareholders that do not accept the Offer will continue to hold their shares in IDS, which will then be an unlisted private company.

Without a listing it is likely that the shares will be more difficult to sell, and there is no guarantee that shares could be sold at the Offer price of 370p per share (or at all).

(B) A lower acceptance threshold is not agreed between IDS and EP Group

If IDS and EP Group do not agree to a lower acceptance threshold, the Acceptance Condition will not have been satisfied and the Offer will lapse. In that case, everyone that currently holds shares in IDS will continue to do so and IDS will remain a listed company.

Acceptances received total more than 75% but less than 90% of Voting Rights

The Acceptance Condition will have been satisfied and the Offer will proceed.

In this scenario, EP Group has stated its intention to delist IDS from the London Stock Exchange and re-register as a private company.

- Shareholders that have accepted the Offer will have their shares acquired by EP Group at 370p per share.
- Shareholders that do not accept the Offer will continue to hold their shares.

As stated above, following a delisting and re-registration as a private company the IDS shares are likely to be more difficult to sell, and in that scenario there is no guarantee that shares could be sold at the Offer price of 370p per share (or at all).

Acceptances of more than 90% of the Voting Rights subject to the Offer

The Acceptance Condition will have been satisfied and the Offer will proceed.

- Shareholders that accept the Offer will have their shares acquired by EP Group at a price of 370p per share under the terms of the Offer.
- Shareholders that do not accept the Offer will also have their shares acquired on the same terms as under the Offer, at a price of 370p per share, as EP Group will have the statutory right to compulsorily acquire those shares. Please note that the compulsory acquisition rights will only be triggered if there are acceptances of more than 90% of the Voting Rights subject to the Offer (this threshold excludes those shares already held by EP Group and its associates).

For any further information on how to respond to the offer or if members have mislaid the information sent to them, they should contact the IDS Share Registry Equiniti on +44(0)330 123 0058 or email the website that has been set up by Equiniti on www.idsoffer.shareview.info/

Yours sincerely



DAVE WARD
GENERAL SECRETARY



MARTIN WALSH
DEPUTY GENERAL SECRETARY (POSTAL)