

## EXPLANATORY NOTES TO THE SHAREHOLDERS OF INFRASTRUCTURE CREDIT GUARANTEE COMPANY PLC (“INFRA CREDIT”/THE “COMPANY”) IN RESPECT OF KEY RESOLUTIONS TO BE PASSED AT THE 9TH ANNUAL GENERAL MEETING ON FRIDAY, 3RD JULY 2026

S/N	KEY BUSINESS	EXPLANATORY NOTES
1	<b>Resolution 8.1 – Amendment of Article 12.1 of the Company’s Articles of Association</b>	<p>Article 12.1 of the Company’s Articles of Association provides that unless otherwise determined by the Company in a General Meeting, the Board shall comprise not more than eleven (11) Directors.</p> <p>In December 2024, the Company was re-registered as a public limited company (PLC), and in March 2025, it successfully transitioned to a listed entity by introduction on the NASD OTC Securities Exchange (NASD). The Company then completed a ₦27 billion equity capital raise via a Private Placement in 2025, supported by MOBILIST and Domestic Institutional Investors (DIIs).</p> <p>In furtherance of its commitment to strengthen its corporate governance framework and to ensure appropriate representation of the expanded shareholder base, particularly the DIIs, the Board considers it appropriate to increase the Board size to accommodate additional Non-Executive Directors.</p> <p>Accordingly, the Board is recommending the amendment of Article 12.1 of the Company’s Articles of Association to increase the maximum number of Directors from eleven (11) to twelve (12).</p>
2	<b>Resolution 8.2 - Conversion of Irredeemable Preference Shares to Redeemable Preference Shares</b>	<p>Section 147 of the Companies and Allied Matters Act (CAMA) 2020 permits a company to issue preference shares which are liable to be redeemed subject to such conditions as may be prescribed in the terms of issue or in the Company’s Articles of Association.</p> <p>In compliance with the provisions of CAMA 2020, the Board is recommending the conversion of the 8,022,905,000 irredeemable preference shares held by the Nigeria Sovereign Investment Authority (NSIA) to redeemable preference shares.</p>
3	<b>Resolution 8.3 – Reduction of Share Capital by the Cancellation of Preference Shares</b>	<p>Between 2017 and 2021, to strengthen its capital base, the Company issued USD-denominated preference shares to NSIA, Africa Finance Corporation (AFC), InfraCo Africa Investment Limited (InfraCo Africa), and Leadway Assurance Company Limited (Leadway).</p> <p>However, the combined effect of foreign exchange volatility, maturing obligations and equity classification of these preference shares created accounting mismatches and potential tax exposure, prompting the Board to initiate a programme to redeem all outstanding preference shares.</p> <p>To date, the Company has fully redeemed the maturing preference shares held by AFC and InfraCo Africa, including accrued dividends, and the requisite statutory and listing notifications in respect of the redemptions have been duly issued to the Securities and Exchange Commission (SEC), the NASD and the Company’s Registrars. The Company also plans to redeem the preference shares held by NSIA and Leadway.</p> <p>Following the redemption of the preference shares in accordance with the terms of their issuance, the Company does not intend to reissue those preference shares and therefore proposes to cancel them. The implication of this will be a reduction in the Company’s share capital from ₦61,421,392,875 to ₦36,832,130,194 by the cancellation of 24,589,262,681 preference shares held by AFC, InfraCo Africa, Leadway and NSIA.</p>
4	<b>Resolution 8.4 – Increase in Share Capital by the Creation of Additional Ordinary Shares</b>	<p>Section 127(1) of CAMA 2020 provides that a company having a share capital may, in a general meeting, increase its issued share capital by the allotment of new shares of such amount as it considers expedient.</p> <p>Subject to the effective reduction of the Company’s share capital as contemplated by Resolution 8.3, the Board is recommending the increase of the Company’s share capital from ₦36,832,130,194 to ₦50,449,955,454 by the creation of 13,617,825,260 new ordinary shares of ₦1 each, ranking pari-passu with the existing ordinary shares of the Company as may be required to give effect to the increase.</p>

5	<b>Resolution 8.5 – Amendment of the Company’s Memorandum of Association and Articles of Association</b>	Subject to the shareholders’ approval of the increase in the Company’s share capital, the Board is recommending the amendments of Clause 6 of the Memorandum of Association and Article 3.1 of the Articles of Association of the Company, to reflect the new share capital of ₦50,449,955,454.
6	<b>Resolution 8.6 – Equity Capital Raise via Rights Issue</b>	<p>To strengthen the Company’s capital base and optimize shareholder value, the Board is recommending an equity capital raise in an amount up to ₦35,800,987,344.27 by way of a Rights Issue.</p> <p>The Company will apply the proceeds of the capital raise towards the following strategic initiatives:</p> <ol style="list-style-type: none"> <li>a. <b>Revenue Diversification:</b> Investments in the Ghana Infrastructure Credit Enhancement Facility (GICEF) and Construction Finance Warehouse Facility (CFWF) to broaden InfraCredit’s income base by adding returns from co-investment structures and regional guarantee operations, reducing reliance on domestic guarantee fees alone.</li> <li>b. <b>Portfolio Resilience:</b> These facilities are expected to generate predictable, fee-based income while positioning InfraCredit to capture upside from strategic co-investments, enhancing stability against market volatility.</li> <li>c. <b>Scalable Growth:</b> Both platforms create pipelines for future guarantee transactions, reinforcing InfraCredit’s ability to scale across West Africa and deepen its market relevance.</li> </ol> <p>The market price of InfraCredit’s shares on the NASD platform is ₦2.83 (cum dividend). A discount of 4.25% has been applied, consistent with recent rights issue exercises embarked on by Nigerian banks, resulting in a rights issue price of ₦2.71 per share. This ensures capital is raised without excessive dilution, while remaining attractive to shareholders.</p> <p>Share allocation will be on a pro rata basis of one (1) new share for every two (2) existing shares held by shareholders.</p>
7	<b>Resolution 8.7 – Issuance of Scrip Dividends</b>	<p>The Company declared a dividend for the financial year ended 31 December 2024 and provided shareholders with the option of receiving their entitlement either in cash or by way of a scrip dividend.</p> <p>Having received confirmation from the relevant shareholders, the proposed scrip dividend is now being issued in fulfilment of that arrangement and will be satisfied out of the portion of the increased share capital that is equivalent to the cash value of the dividend entitlement already declared, to shareholders in respect of the 2024 financial year, as follows:</p> <ol style="list-style-type: none"> <li>a. Nigeria Sovereign Investment Authority - <b>283,390,844 ordinary shares</b></li> <li>b. Leadway Assurance Company Limited - <b>50,125,565 ordinary shares</b></li> <li>c. AIICO Insurance PLC - <b>73,612,414 ordinary shares</b></li> </ol>
8	<b>Resolution 8.8 – Registration as a Capital Market Operator and Amendment of Clause 3 (D) of the Company’s Memorandum of Association</b>	<p>Section 3(f) of the Investment and Securities Act (ISA) 2025 empowers the Securities and Exchange Commission (SEC) to register, regulate and supervise corporate capital market operators, and to regulate credit enhancement services in the capital market. Following the enactment of the ISA 2025, the SEC issued the Rules on Credit Enhancement Facility Providers 2025 (Credit Enhancement Rules).</p> <p>Rule 4(a) of the Credit Enhancement Rules provides that no entity may provide credit enhancement services in the capital market unless it is duly registered with the SEC. Furthermore, by Rule 8 (a) (iv) of the Credit Enhancement Rules, the credit enhancement facility providers may provide technical and/or advisory services to issuers of securities in connection with the provision of a credit enhancement facility.</p> <p>Given that the provision of credit enhancement services is a key part of the Company’s operations, it is imperative to comply with the provisions of the Credit Enhancement Rules.</p> <p>Accordingly, the Company is required to: (a) register with the Securities and Exchange Commission; and (b) amend Clause 3(D) of its Memorandum of Association to comply with the provisions of the ISA 2025 and Credit Enhancement Rules.</p>

Prepared by: **The Company Secretary**