CONFIDENTIAL

STARK CORPORATION

Stark Corporation PCL

Company update

Q1/2022

May 2022

Disclaimer

The presentation has been prepared by the management of Stark Corporation Public Company Limited (the “Company” and together with its subsidiaries, the “Group”) for informational purposes only. The presentation does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its Group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its Group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, in any jurisdiction. The presentation has been provided to you solely for your information and background and is subject to updating, completion, revision, verification and amendment, and such information may change materially.

The information in the presentation has not been independently verified. No representation or warranty, express, assumed or implied, is made as to, and no reliance should be placed on, the fairness, reliability, accuracy, reasonableness, completeness or correctness of the information, assumptions or opinions contained herein. None of the Company, the affiliates of the Company, the existing shareholders of the Company, connected persons of the Company and any of the respective affiliates, directors, officers, partners, employees, agents, representatives, advisors, legal advisors or representatives of the foregoing persons shall have any liability or responsibility (in negligence or otherwise) for any damages or loss howsoever arising, directly or indirectly, from this document, its contents or otherwise arising in connection with the presentation. Further, nothing in the presentation should be construed as constituting legal, business, tax or financial advice.

The presentation and any materials distributed in connection with the presentation includes forward-looking statements. All statements contained in the presentation that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements may be indicated by words such as “may,” “will,” “would,” “should,” “expect,” “intend,” “estimate,” “anticipate”, “believe” and similar expressions and/or their negatives. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which the Group operates. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Such forward-looking statements are not guarantees of future performance and that the Group’s actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may differ materially from those made in or suggested by the forward-looking statements contained in the presentation. In addition, even if the Group’s results of operations, financial condition and liquidity and the development of the markets in which the Group operates are consistent with the forward-looking statements contained in the presentation, those results or developments may not be indicative of results or developments in future periods. Neither the Company nor any of its affiliates, agents, employees, advisors or representatives undertake any duty or obligation to review, update or confirm analysts’ expectations or estimates or to release any revision, supplement, amendment or update of any forward-looking statements contained in this presentation.

This presentation contains data sourced from and the views of independent third parties. In such data being replicated in this presentation, the Company makes no representation, whether express or implied, as to the accuracy of such data. The replication of any views in this presentation should be not treated as an indication that the Company agrees with or concur with such views.

In this presentation, Adjusted Core EBITDA for any year/period is defined as as core operating profit for the year/period adding back depreciation and amortization, and realized foreign exchange gain and non-recurring expenses (listing license fee, professional fees and expenses incurred in connection with the reverse acquisition business combination and the acquisitions of Thipha, Dovina and TCI, and employee benefit expenses relating to adjusted severance pay as a result of an amendment to the Thai Labor Law). We use Adjusted Core EBITDA to provide additional information about our operating performance. For purposes of the computation, our "core operating profit" is the difference between our core revenue and our core costs and expenses, where our "core costs and expenses" are the sum of our costs of sales, costs of rendering services, costs of rental, distribution costs and administrative expenses. Adjusted Core EBITDA is not a measure of financial performance under either TFRS, IFRS or US GAAP. We believe that this measure is useful for certain investors to determine our operating cash flow and historical ability to meet debt service and capital expenditure requirements. We believe the investor community commonly uses this type of financial measure to assess the operating performance of companies in our business sector. You should not consider our definition of Adjusted Core EBITDA in isolation or construe it as an alternative to profit for the period or as an indicator of operating performance or any other standard measure under TFRS, IFRS or US GAAP. Our Adjusted Core EBITDA measure may not be comparable to similarly titled measures used by other companies, including in our industry.

Agenda for Today

1	Company snapshot
2	Q1/2022 highlights
3	Q1/2022 financial results
4	FY2022 outlook
5	Q&A

Today’s presenters

Mr. Chanin Yensudchai

Chairman

Mr. Prakorn Makjumroen

Chief Executive Officer

STARK CORPORATION

1. Company snapshot

Stark at a glance – #1 ASEAN wire and cable company

Our operations footprint

Largest wire and cable manufacturer based in ASEAN

Thailand

Bang Phli (Bangplee)
(Medium to Extra High Voltage)

Rayong
(Low to Medium Voltage)

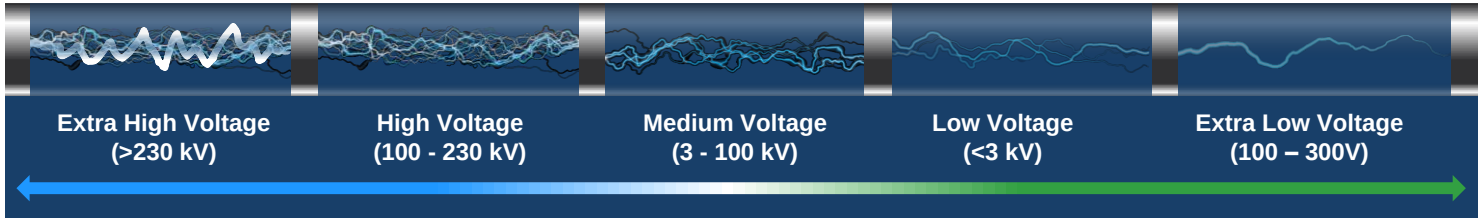
Samut Sakorn
(Low Voltage)

Vietnam

Long An (Ho Chi Minh)
(Low to High Voltage)

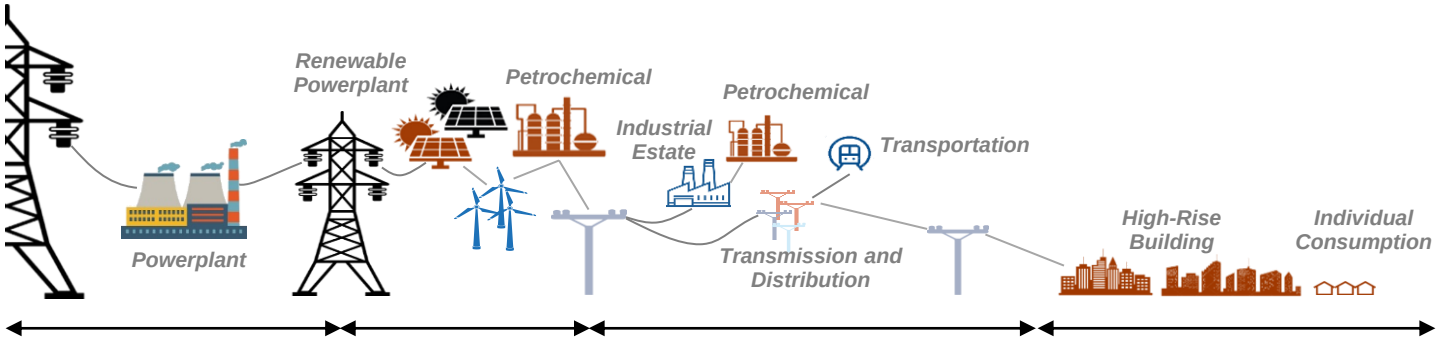
Our cable products

Widest range among locally produced
Sole EHV[1] cable producer in Thailand



Where our cables are used

Sold to public and private customers across the power value chain



Note:
(1) EHV – Extra High Voltage Cable

Stark at a glance – corporate structure

Khun Vonnarat Tangkaravakoon[1]
(71.2%)

Free float
(28.8%)

STARK CORPORATION
(BKK: STARK)

Wire & Cable (Infrastructure)

99.3%

Phelps Dodge International

100.0%

Thipha Cable

100.0%

Dong Viet Non-Ferrous Metal and Plastic

100.0%

Thai Cable International

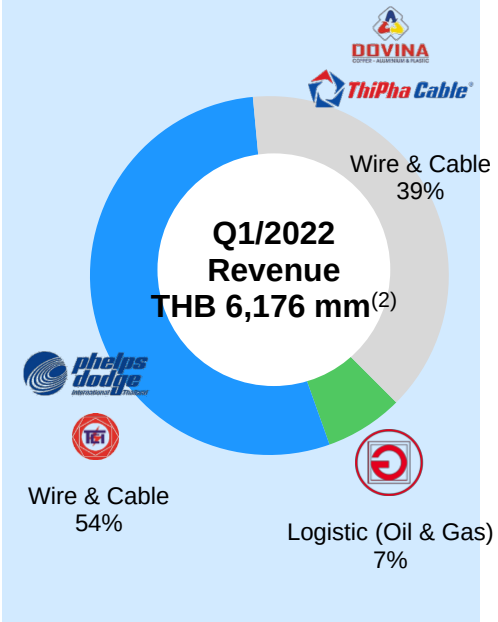
Logistics

100.0%

Adison Songkhla

- **Offshore Manpower services:** Focus on providing manpower services to our customers in the oil and gas industry.
- **Engineering Services:** Provide ancillary services such as vessel cleaning, off-shore construction services, fabrication and maintenance services
- **Rental Services:** Provide warehouse, equipment and machinery rental services

Revenue breakdown



Note: Includes material subsidiaries only.
(1) 50.2% held by Khun Vonnarat Tangkaravakoon and 21% held by Stark Investment Corporation Limited, a company 100%-owned by Khun Vonnarat Tangkaravakoon.
(2) STARK consolidated financial statement (Q1/2022)

Growth strategy: To climb up the value chain

4 Unlock Value for Shareholders

Deleverage by EBITDA growth, interest costs savings and lower cash conversion cycle

3 Enhance Cost Competitiveness

Offshoring to Vietnam (lower cost), achieve economies of scale in raw materials procurement, tax savings

2 Market Expansion / Market Penetration

Exciting opportunities in home countries (Thailand & Vietnam) and other high-growth markets i.e. Indonesia, Africa and Middle East and North American & European markets

1 High Margin Products

High-voltage, submarine, floating, and specialty cables

STARK CORPORATION

STARK CORPORATION

2. Q1/2022 highlights

Understanding on foreign exchange gain / loss

Background

- Functional currency: ***Thai Baht***
- Majority in Revenues: ***Thai Baht***
- Majority in Expenses: ***US Dollar***

Foreign exchange gain / loss is due primarily to

Expenses in US Dollar

Example: *Expense in US Dollar*

	Order		***Q1***		***Payment***		
	Jan	Feb	Mar	Apr	May	Jun	Jul
USD value	100 USD						
Exchange rate	30 THB / USD		32 THB / USD		33 THB / USD		
THB value	3,000 THB		3,200 THB		3,300 THB		

Unrealized Gain = 200 THB ***Realized Gain = 300 THB***

To be adjusted in Gross Profit / EBITDA / Net Profit

STARK to provide the Realized Gain/Loss in MD&A

Key takeaway

- The **Foreign exchange gain/loss** is considered as **Normal operation** and primarily due to *Expenses in US Dollar*
- However, **based on the accounting standard, the foreign exchange gain/loss cannot be included in COGS**, but it will be presented in separated item
- STARK is to **adjust only the "Realized gain / loss"** to reflect the actual performance
- **STARK to provide the "Realized gain / loss" and adjusted the EBITDA and Net profit in MD&A**
  - Realized gain = *Deducted* from Gross Profit / EBITDA / Net Profit
  - Realized loss = *Added* to Gross Profit / EBITDA / Net Profit

Q1/2022 highlights

Strong sales performance

- Q1/2022 core revenues increased to THB 6,176 m, representing 32.6% YoY growth
- Significantly increase in export market
- Revenues increased from higher demand in government and private construction project

EBITDA margin expansion

- 19.1% for Q1/2022 - EBITDA improvement in Q1/2021 of 16.6% was due to favorable product mix in line with the company's strategies
- Impact of higher margin product mix strategy, cost reduction programs and Vietnam integration

Order book growth

- THB 14,800 m as of March 2022
- 50 - 60% of total backlog are high-margin products
- Continued replenishment and growth of order book improving near-term visibility
- 30 - 50% win rate

Delivering on deleverage

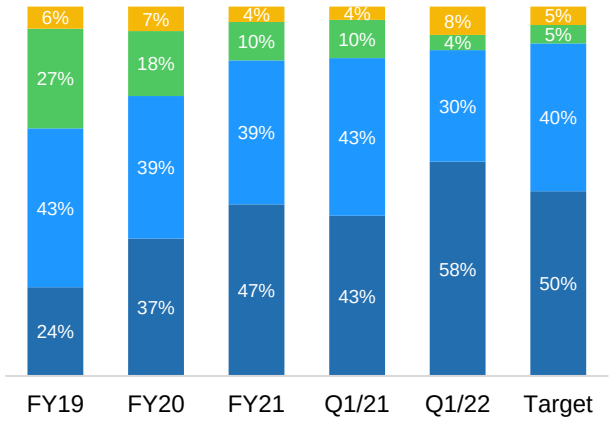
- Net debt of THB 14,027 m as of Mar 31, 2022 vs. THB 13,191 m as of Dec 31, 2021, primarily due to ST loan for raw materials procurement in accordance with increasing revenue.
- 2.46x Net debt to EBITDA (Q1/22), achieve the target earlier set at 2.50x by 2023.

Effective COVID-19 to manage operational impact

- Strong FY2021 & Q1/2022 performance despite COVID-19 challenges
- Operational protocols have ensured business continuity whilst prioritizing a safe work environment for our staffs

Shift to high-margin products

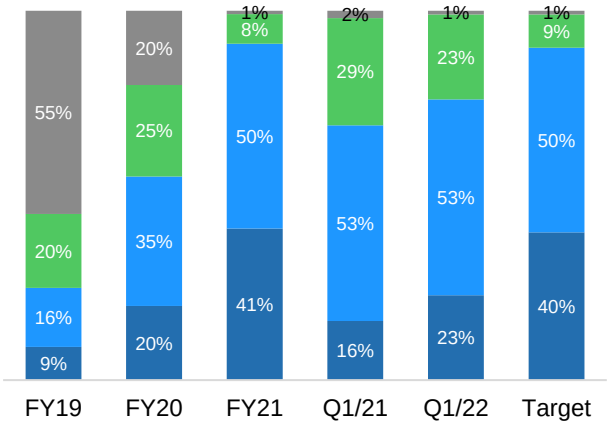
Thailand
Sales breakdown by product segment[3]



Throughput margin[1]

- 1 - 2%
- 30 - 45%
- 5 - 15%
- 15 - 25%
- 35 – 45%

Vietnam
Sales breakdown by product segment



<5% of raw materials produced by using access capacity to achieve extra cash profits, and increase overall group bargaining power over metal suppliers

■ Medium to extra-high voltage wires ■ Low-voltage and building wires ■ Bare conductors ■ Specialty wires ■ Raw materials[2]

Thailand – Sales growth breakdown[3]

(Unit : THB million)

FY19	FY20	FY21	Q1/21	Q1/22	(Q1.YoY)
632	622	557	100	126	26%
2,749	1,645	1,264	285	237	(17%)
4,379	3,612	5,178	1,177	930	(21%)
2,389	3,475	6,168	1,195	1,783	49%

Vietnam– Sales growth breakdown

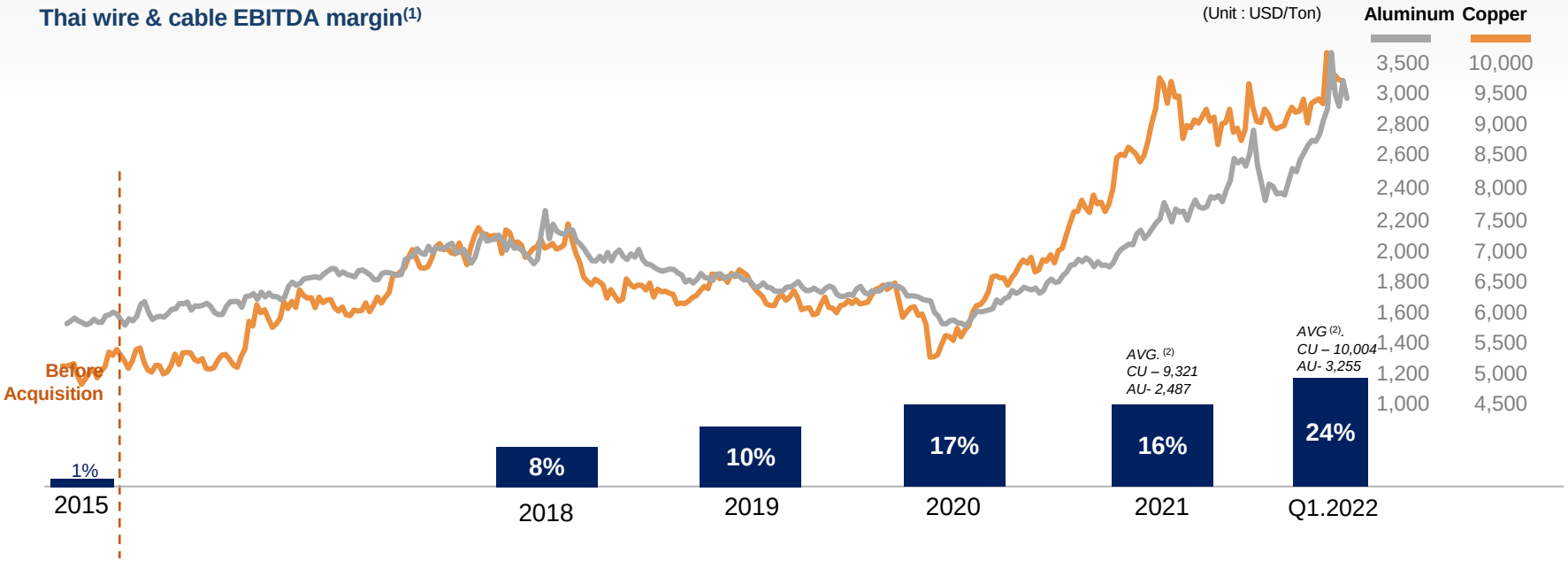
(Unit : VND billion)

FY19	FY20	FY21	Q1/21	Q1/22	(Q1.YoY)
4,996	1,046	63	17	12	(31%)
1,817	1,252	534	318	382	20%
1,453	1,773	3,266	585	886	52%
817	1,003	2,659	178	382	115%

(1) Throughput margin: Sales revenue - Material costs.
(2) From December 2019 and in the first half of 2020, Dovina progressively ceased exporting its products to India, primarily exporting products as required under pre-existing contractual obligations.
(3) PDITL sales breakdown only

Impact from surge of raw material

Thai wire & cable EBITDA margin[1]



Implementing strategies

1 Cost Plus Strategy

Raw material price fluctuations passed through to customer, as revenues derived primarily from made-to-order sales

2 Made-to-Order (MTO)

80% - 90% of total revenues are Made-to-Order (MTO) with specific design required from customers

3 No Mark-to-Market

Inventories and raw materials are booked at cost, not mark-to-market

Effective supply chain management policy

A Fix raw material price & exchange rate at beginning

After project confirmation, the key raw material price and exchange rate shall be fixed at the beginning

Therefore, **the impact of price/rate fluctuation is minimal**

B No Speculation policy on Buy & Sell perspective

Such policy and practice is to avoid any speculation on the raw material price / exchange rate on both buy and sell perspectives

Source: London Metal Exchange (LME).

(1) EBITDA margin refers to Thailand Cable's Adjusted Core EBITDA as a % of Core revenues. Adjusted Core EBITDA is defined as Core revenues less Core costs and expenses (Costs of sales, Costs of rendering services, Distribution costs and Administrative expenses) plus Depreciation & amortization, Realized foreign exchange gains and non-recurring expenses (Professional fees relating to the reverse acquisition and Employee benefit expenses relating to adjusted severance pay as a result of an amendment to the Thai Labor Law), and exclude sales of raw material to related companies.

(2) Average commodities price USD per Ton (https://markets.businessinsider.com/commodities/aluminum-price)

STARK CORPORATION

3. Q1/2022 financial results

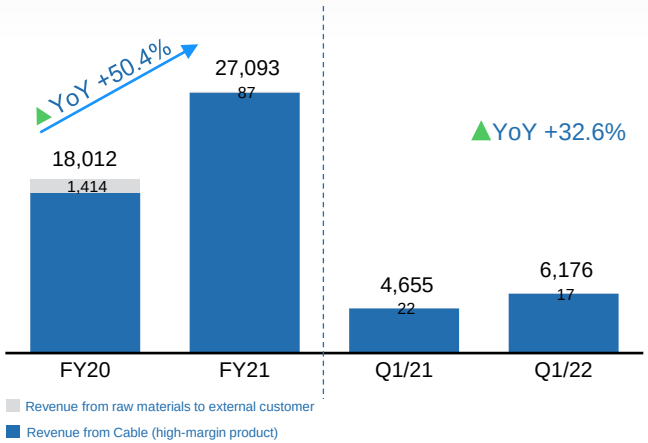
Financial highlights – Consolidated

Commentary

- The Company has strongly performance throughout the year due to the higher demand from public and private projects that continue to build according to plans and schedules
- Higher revenue and premium product mix
  - Ongoing reconfiguration and optimization of production capacity following acquisition of Thipha and Dovina
- Cost management / reduction initiatives delivered better than expected
  - Copper price fluctuation did not impact margins as 'made-to-order' strategy and pass-through pricing mechanism
  - Replication of lean management from Thailand to Vietnam
  - Successful implementation of LEAN mgt strategies and replicated to VN
  - Centralized procurement of raw materials to benefit from economy of scales

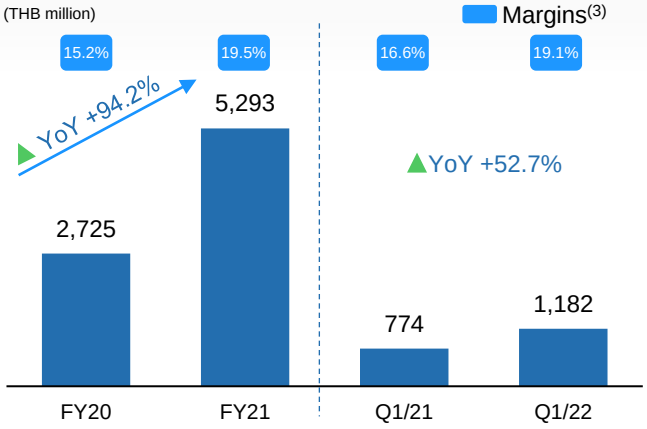
Core revenues[1]

(THB million)



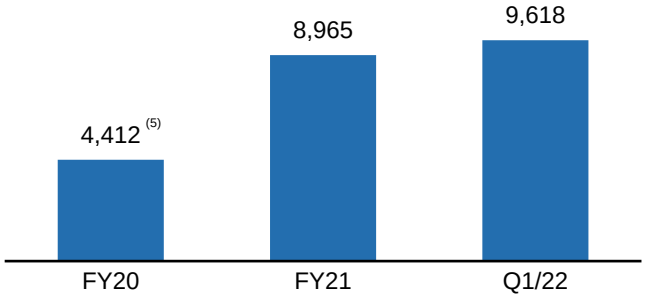
Adjusted Core EBITDA[1]

(THB million)



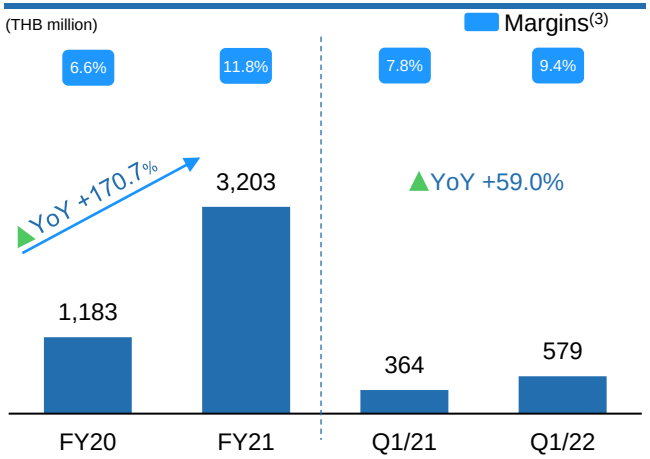
Net working capital[4]

(THB million)



Adjusted Core Net profit [6]

(THB million)



(1) Core revenues defined as the sum of Revenue from sales, Revenue from rendering services and Rental income.
(2) Adjusted Core EBITDA is defined as Core revenues less Core costs and expenses (Costs of sales, Costs of rendering services, Costs of rental, Distribution costs and Administrative expenses) plus Depreciation & amortization, Realized foreign exchange gains/(losses) (excl. the gains relating to the acquisition of Vietnam subsidiaries) and non-recurring expenses (Professional fees relating to the reverse acquisition and Employee benefit expenses relating to adjusted severance pay as a result of an amendment to the Thai Labor Law).
(3) Margins are presented as a % of Core revenues.
(4) Computed as Trade & other current receivables and Inventories less Trade & other current payables.
(5) Include TCI net working capital of THB 1,913 mm as TCI was acquired in April 2020.
(6) See detailed calculation in MD&A (Q1/22), available in SET website.

Financial highlights – Thai wires and cables

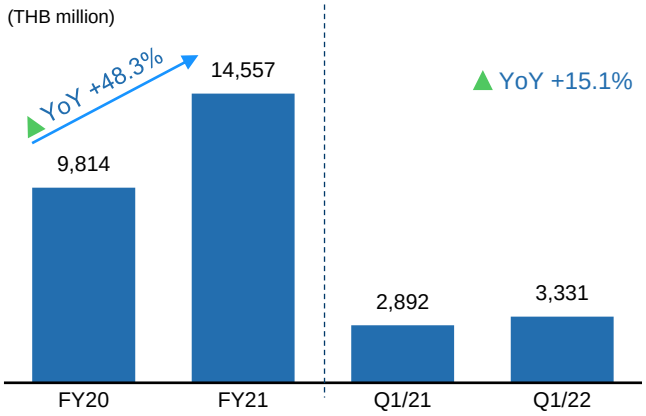
PDITL and TCI

Commentary

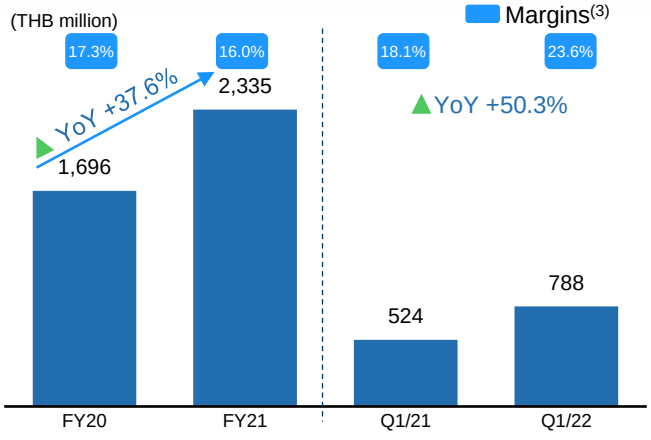
Strong performance of PDITL

- Higher revenue and premium product mix
  - Export to regional and newly countries in Middle East Asia and Africa
  - Focused on shifting the revenue mix toward higher margin products
  - Service revenues enables margins increase
- Actively expand to support high demand in B2B projects
- Continuing participate and develop in modern trade and B2C products
- Continuing cost reduction
  - Lean management strategies led to decreasing production costs
  - De-bottleneck production processes to increase output from the same number of machines
  - Continue to leverage economy of scale to get more favorable terms and prices of raw materials.
  - Solar rooftop saving
  - Reduce rework and seamless operation

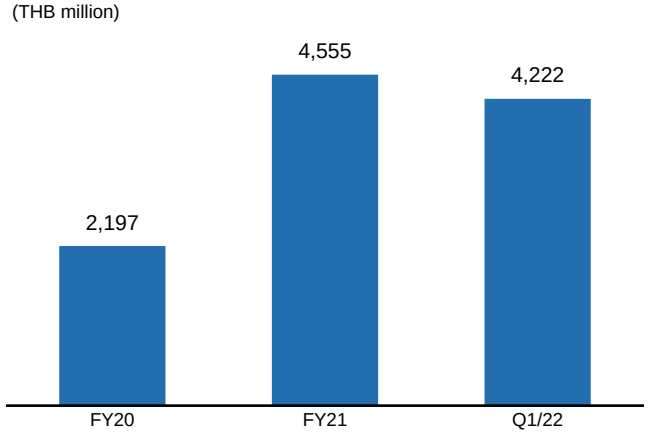
Core revenues[1]



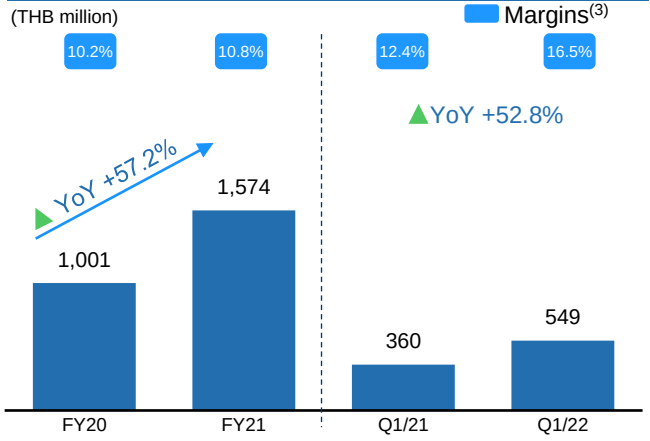
Adjusted Core EBITDA[2]



Net working capital[4]



Adjusted Net profit[6]



(1) Core revenues defined as the sum of Revenue from sales and Revenue from rendering services (excluded inter-company transactions)
(2) Adjusted Core EBITDA is defined as Core revenues less Core costs and expenses (Costs of sales, Costs of rendering services, Distribution costs and Administrative expenses) plus Depreciation & amortization, Realized foreign exchange gains/(losses) (excl. the gains relating to the acquisition of Vietnam subsidiaries) and non-recurring expenses (Professional fees relating to the reverse acquisition and Employee benefit expenses relating to adjusted severance pay as a result of an amendment to the Thai Labor Law).
(3) Margins are presented as a % of Core revenues (excluding inter-company transactions)
(4) Computed as Trade & other current receivables and Inventories less Trade & other current payables.
(5) Excludes inter-company transactions
(6) Adjusted Net profit is defined as Net profit for the period plus Impairment loss determined in TFRS9, Unrealized (Gain)/Loss from normal business, Non-recurring (1-tax), Realized(Gain)/Loss from Vietnam Acquisition

Financial highlights – Vietnam business

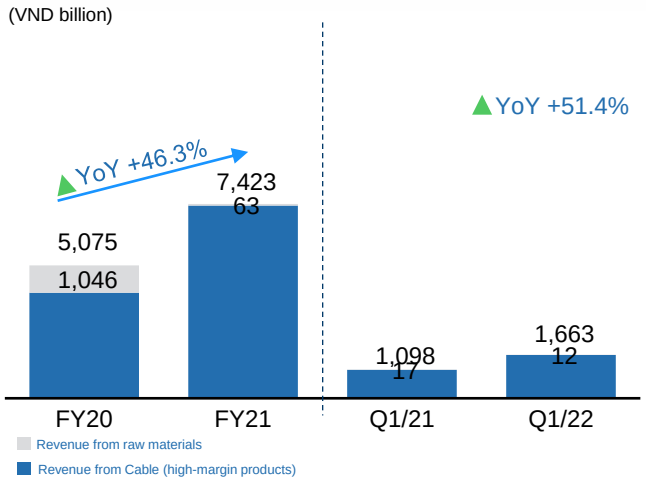
Thipha (cable only) + Dovina

Commentary

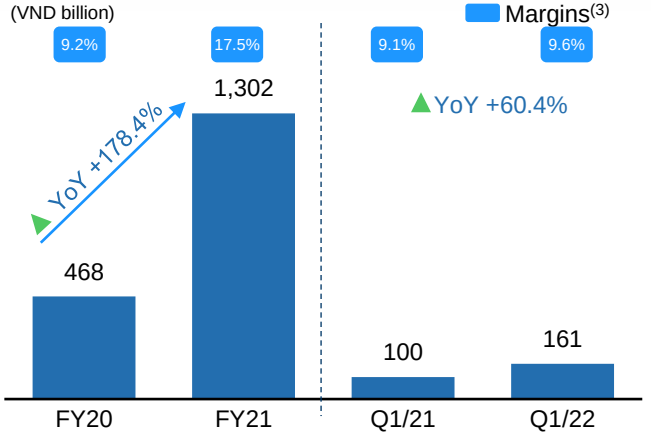
Business Integration (TH & VN)

- Core revenue increase due to expansion of export market and reversal of COVID-19 activities
- Centralized copper rod conversion at Dovina for our own consumption both TH and VN
  - Small spare capacity for domestic sales only at acceptable margin
- Efficiency improvement by replicating LEAN management from TH
- Pass-through pricing mechanism similar to Thailand practice
- B2B key account approach implementation to early engage to the projects starting to deliver positive result in order book
- HV cable certification with EVN is underway.
- UL certification for US market is progressing and will start commercialized in Q2/2022
- MV cable certification of Australian market was completed

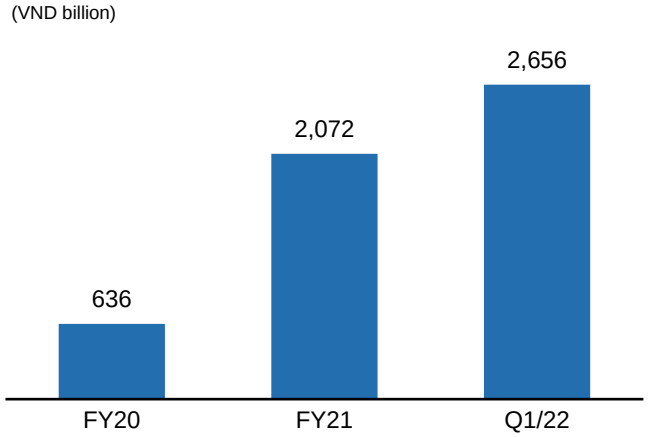
Core revenues[1]



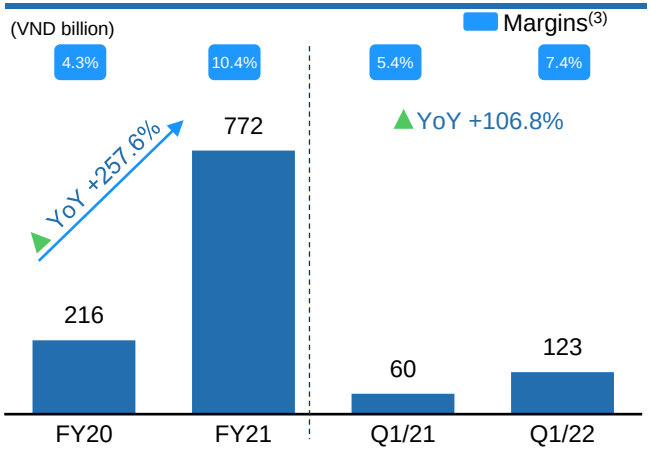
Adjusted Core EBITDA[2]



Net working capital[4]



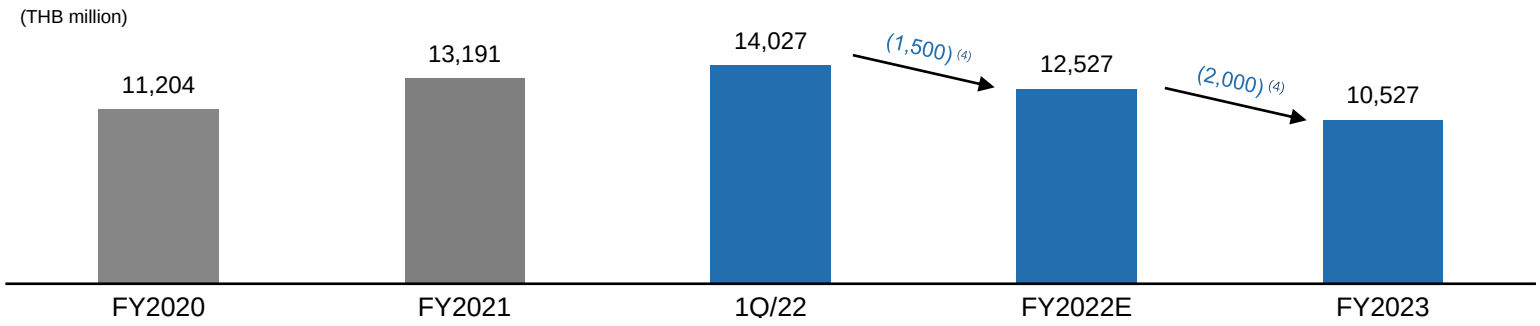
Net profit



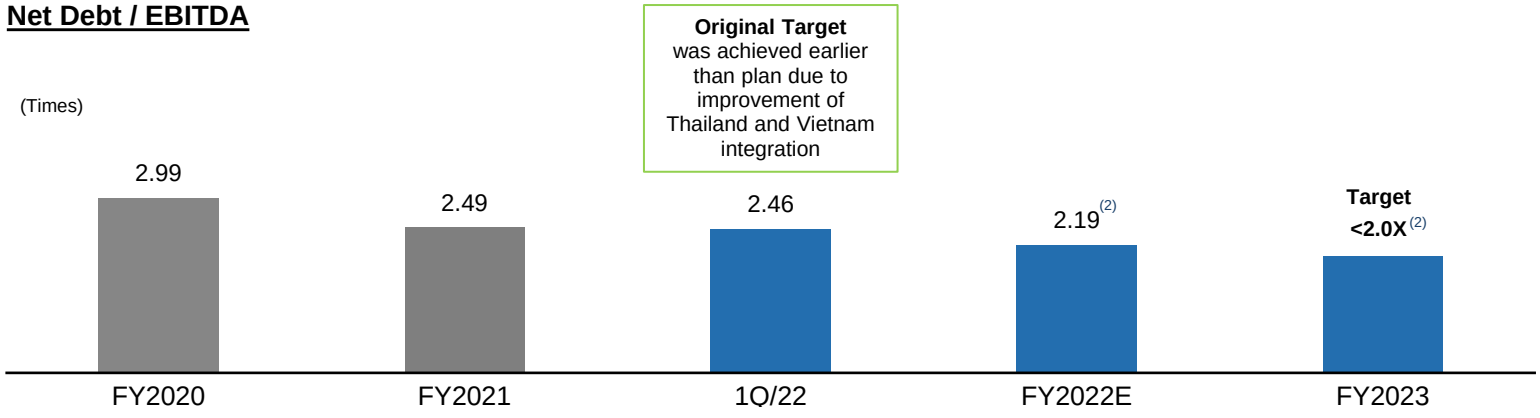
(1) Core revenues defined as the sum of Revenue from sales and Revenue from rendering services. (exclude inter-company transaction)
(2) Adjusted Core EBITDA is defined as Core revenues less Core costs and expenses (Costs of sales, Costs of rendering services, Distribution costs and Administrative expenses) plus Depreciation & amortization, Realized foreign exchange gains (or losses).
(3) Margins are presented as a % of Core revenues.
(4) Computed as Trade & other current receivables and Inventories less Trade & other current payables.

Financial highlights – deleverage

1 Net Debt



2 Net Debt / EBITDA



Note:
(1) Based on FY2021 and Q1/2022 consolidated financial statement
(2) Calculate by using last-twelve month EBITDA of 5,702 THB Million
(3) Assumed the group generate stable EBITDA of 5,702 THB Million / year through out 2022 and 2023
(4) Assumed the group repay net debt amount of 2,000 THB Million / year

STARK CORPORATION

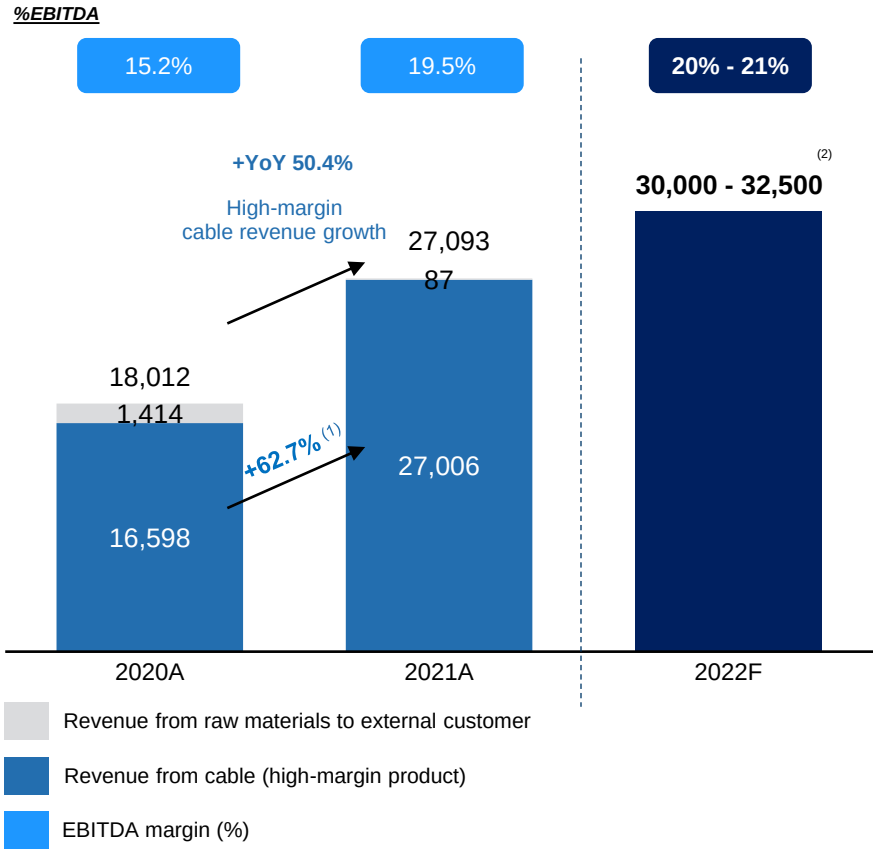
4. FY2022 outlook

Driving revenue growth in 2022

With targeted product / market focus

Target Group Revenues → **Growth drivers from 2022 onwards**

(THB million)



Vietnam growth engine

- Grow MV-HV sales
- Utilize supply record of PDITL to participate in tenders
- Growing PV Cable markets (cost competitiveness)
- Utilize Vietnam capacity for Thailand market demands
- De-bottleneck and efficiency improvement to increase output
- Develop B2C channels in Vietnam
- Dual brand strategy (Phelps Dodge and Thipha)

Thailand growth engine

- Increase capacity for EHV demand in Thailand (Bangplee)
- Increase capacity for LV – MV demand (Rayong)
- Drive growth in 2nd tier market (TCI)
- Launch new Plug & Cord products
- Drive growth in modern trade channel

Export is another critical growth engine

- Leverage FTA export opportunities from VN
- Work closely with global EPC and accessory partners

Introduction of high-margin products

- Submarine cables
- HVDC
- Floating cables / Underwater cables
- Specialty cable
- Electrical engineering services

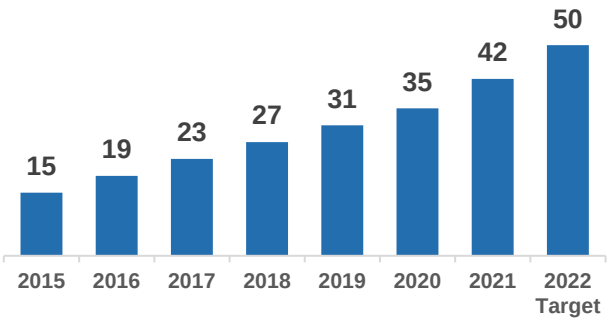
Note:
(1) Revenue of high-margin cable growth from 2020 cable sales to 2021.
(2) Insignificant revenue from sales of lower-margin raw materials to external customers in 2022F

Project highlights (Export) in 2022

Expand export market to 50 countries in 2022

Global market expansion

STARK CORPORATION



Target new countries in 2022

Our global partners

EPC

ABB
SIEMENS
ALSTOM
SAMSUNG ENGINEERING

Export partners

Nexans
HWC
CAMERON WIRE & CABLE, INC.

HV accessory players

BRUGG
PFISTERER
Raychem

Selected International Projects

Rusayl, Oman

DPDC Dhaka Power Distribution Company
Underground Distribution Project

Cameron, USA

Order Booked (Backlog): THB 14,800 mm

Thailand – Robust Growth from both Home and Export Markets

THB 8,640 mm
(March 2022)

MEA overhead-to-underground cable

Transmission line

MRT Orange, Purple and Green line

Vietnam – High Growth Potential in Home Market

THB 6,160 mm
(March 2022)

Complex city project

Wind farm project

Airport project

Real estate project

Projects Highlight (Thailand) in 2022

Renewable energy | **Infrastructure** | **B2B Project**

EGAT floating solar

MEA underground project
(Awarded 13 out of 22 bids)

The Orange line (East Section) project and the Purple and Green line

EGAT Transmission Line

TOP SPP Expansion

Thai Takasago Plant

Golden land

Projects Highlight (Vietnam) in 2022

Renewable energy | **Infrastructure** | **B2B Project**

Dien gio ca mau

Wind farm
(5 projects)

Solar farm

Transmission line, Underground,
Substation EVN projects

Phú Bài Airport

West Gate An Gia

KN Paradise Cam Ranh

Astral Binh Duong

Shift to high-margin products

Breakthrough in HV and other specialty wire & cable

Submarine Cable

At present, PDITL / TPC are developing submarine cables in Vietnam to replace imported products from Europe. This would help the company to access and capture the high margin market with size of up to 17,660 MW

*Submarine cables are generally considered as **Environmental Friendly** based on LOSC (the United Nations Law of the Sea Convention 1982)*

- *Construction permit progress as planned*
- *Machines order already placed to manufactures.*

(expect to commercialize in Q4/2023 – Q1/2024)

Floating Cable

At present, PDITL is only player to produce floating cable and under water cable in Thailand.

PDITL is a sole supplier to support floating cables to the first floating solar farm at Sirindhorn Dam with the capacity of 45 MW

Per the Power Development Plan B.E. 2561 - 2580 (PDP2018), EGAT will increase the proportion of renewable energy by developing 16 Hydro-floating Solar Hybrid Projects in the area of 9 EGAT dams with the total capacity of 2,725 MW.

HVDC Cable

High Voltage Direct Current (HVDC) systems *utilize power electronics technology to convert AC and DC voltage and are ideal for supporting existing systems or building new power highways.*

Open opportunities for export market to global EPC

Waiting for approval of certification

(expect to commercialize in 2023)

Underground EHV Cable

*PDITL is the **only** domestic producer of insulated Extra-High Voltage (EHV) cables (>230kv) in Thailand*

Underground cables are priority projects in major cities and to create security in electricity and lives

(i.e. service uninterrupted by environmental hazards / prevention of accidents / good general appearance)

STARK CORPORATION

Q&A