Stardust Solar Reports 20% Revenue Growth in Q1 2025 and Strengthens Gross Margin to 48%

Vancouver, British Columbia--(Newsfile Corp. - July 8, 2025) - Stardust Solar Energy Inc. (TSXV: SUN) (OTCQB: SUNXF) (FSE: 6330) a North American provider of renewable-energy installation and training services, today announced its interim financial results for the three months ended March 31, 2025 ("Q1 2025").

Q1 2025 Financial Highlights
(All figures in Canadian dollars)

- Revenue of $1.00 million, an increase of 20% over $0.83 million in Q1 2024.
- Gross margin improved to 48% (Q1 2024: 27.4%).
- Achieved record-high quarterly franchise fees and royalties of $0.33 million, a 2.5-fold growth compared to Q1 2024.
- Product gross profit rose 110% year-over-year to $0.10 million, lifting product gross margin to 18%.
- Net loss of $0.65 million, or $0.01 per share (Q1 2024: net loss of $0.39 million or $0.02 per share).
- Franchise territories grew to 87 as at March 31, 2025, up from 83 at December 31, 2024.
- Working capital improved by $0.13 million during Q1 2025.
- Loans and lease obligations declined 44% to $0.43 million, reducing future interest expense.

Management Commentary

"Q1 2025 delivered solid top-line growth alongside a meaningful improvement in gross margin, underscoring the strength of our franchise model," said **Mark Tadros**, Founder and Chief Executive Officer. "With 87 active territories and a growing sales backlog, we are confident in surpassing 100 territories later this year and continuing to enhance profitability."

Operational Review

During the quarter, Stardust Solar added 4 net new franchise territories, expanded its accredited training programs to include new advanced curriculums, and continued executing its U.S. expansion plan. Product sales were modestly lower year-over-year because Q1 2024 included a single large commercial order in Kentucky. Adjusting for that order, underlying product revenue was consistent with management's expectations.

Operating expenses of $1.14 million included $0.28 million of one-time advertising and promotion costs related to investor-relations campaigns in the United States and Germany that have since been terminated. Excluding these costs, operating expenses were relatively stable year-over-year, despite a 23% increase in salaries associated with supporting the expanded franchise network.

Balance Sheet and Liquidity

For the three months ended March 31, 2025 vs Dec 31, 2024 the Company had decreased current liabilities by $553,993 a 30% reduction and had decreased total liabilities by $987,202 a 36% reduction. As at March 31, 2025, the Company had $0.62 million in cash and cash equivalents and working capital of $1.77 million. Loan and lease obligations were reduced to $0.45 million from $0.88 million at March 31, 2024, primarily due to the full repayment of a high-interest facility obtained at the time of the Company's public listing.

Outlook

Trailing-twelve-month revenue at March 31, 2025 was $3.8 million, a 4.7% increase from the twelve months ended December 31, 2024. Management expects revenue growth to accelerate through the remainder of 2025, driven by continued franchise additions, an expanding installation backlog, and the launch of new training modules. The Company is evaluating opportunities to re-allocate resources previously earmarked for investor-relations activities toward direct customer acquisition and franchise support.

About Stardust Solar:

Stardust Solar is a North American franchisor of renewable energy installation services, specializing in solar panels (PV), energy storage systems, and electric vehicle supply equipment. The Company equips entrepreneurs with branded business management services, cutting-edge equipment, and comprehensive support, including marketing, sales, engineering, and project management. With franchises across Canada and the United States, Stardust Solar drives the adoption of clean energy solutions that boost economic development and create a more sustainable future.

Media and Investor Contacts:

Steve Rickaby
Communications and Investor Relations
Phone: 1-672-472-1345
Email: steve@stardustsolar.com
Website: www.stardustsolar.com

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The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward-looking statements, including statements relating to the Company's business plans and expected future growth, expected franchise expansions, the outlook of future operations, revenue growth, new opportunities and the demand for the Company's products. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward-looking statements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, the Company disclaims any intention. It assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.

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