A conscious fine jewelry brand specializing in *made, not mined™* gemstones that is transforming the industry through direct-to-consumer engagement and wholesale distribution.

**Company Overview**

Charles & Colvard, Ltd. (Nasdaq: CTHR) believes that fine jewelry can be accessible, beautiful, and conscientious. Charles & Colvard is the original creator of lab grown moissanite, a rare gemstone formed from silicon carbide. The Company brings revolutionary gems and jewelry to market through its pinnacle Forever One™ moissanite brand and its premium Caydia® lab grown diamond brand. Consumers seek Charles & Colvard fashion, bridal and fine jewelry because of its exceptional quality, incredible value and shared beliefs in environmental and social responsibility.

**Forever One™ Moissanite**

- First premium, colorless moissanite on the market
- The World’s Most Brilliant Gem®
- Rare, naturally occurring mineral (Silicon Carbide)
- Discovered in 1893 by Dr. Henri Moissan in a meteorite crater
- Now grown in high-tech laboratories in North Carolina
- Available in colorless and near-colorless grades with a clarity range equivalent of VS1 to internally flawless along with excellent cut, polish, and symmetry
- Engraved for authenticity, coming with a limited lifetime warranty

**Caydia® Lab Grown Diamonds**

- An expertly curated assortment of premium lab grown diamonds set in bridal and fine jewelry - 14K and 18K gold as well as platinum
- Launched in Fiscal 2021
- Available in E, F, and G color grades with minimum clarity of VS1 along with excellent cut, polish and symmetry.
- Range in weight from 0.50 carats to 2.50 carats
- Third party certification

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**Investment Summary**

- High quality, ethically-sourced product
- Broad omni-channel distribution network
- Expanding global market for lab grown gemstones
- E-commerce oriented customer base of Millennials and Gen Zs
- DTC model fueling 45-50% gross margins

- Healthy balance sheet
- Lab grown diamonds predicted to constitute 12% of the diamond jewelry market by 2025, up from 8% in 2021
- Worldwide fashion jewelry market expected to drive approximately $307 billion in worldwide sales by 2026

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**Omni-Channel Strategy**

**Customer Demographics**

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>Percentage of Traffic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z</td>
<td>14%</td>
</tr>
<tr>
<td>Millennials</td>
<td>25%</td>
</tr>
<tr>
<td>Gen X</td>
<td>18%</td>
</tr>
<tr>
<td>Boomers</td>
<td>12%</td>
</tr>
<tr>
<td>65+</td>
<td>8%</td>
</tr>
</tbody>
</table>

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**Revenue Channels**

- TikTok
- Facebook
- Instagram
- YouTube
- Pinterest
- Twitter

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**Digital Marketing Channels**

- Influencer Programs
- Dynamic Retargeting
- Programmatic Digital
- Sponsored Content
- Loyalty Programs
- Email
- Public Relations
- Affiliate Programs

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**INVESTOR FACT SHEET**
Net Sales - Q1 FY 2023

<table>
<thead>
<tr>
<th>In Millions</th>
<th>Net Sales Overall</th>
<th>Online Channels Segment</th>
<th>Traditional Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 FY 2023</td>
<td>$7.4</td>
<td>$4.9</td>
<td>$2.5</td>
</tr>
<tr>
<td>Q1 FY 2022</td>
<td>$10.3</td>
<td>$5.4</td>
<td>$4.9</td>
</tr>
<tr>
<td>Q1 FY 2023 Notes</td>
<td>28% decrease</td>
<td>66% of net sales</td>
<td>34% of net sales</td>
</tr>
</tbody>
</table>

Finished Jewelry / Loose Stones

- $5.5 (Finished) / $1.8 (Loose)
- $5.7 (Finished) / $4.6 (Loose)
- 3% decrease in finished jewelry

Financial Summary - Annual & YTD

<table>
<thead>
<tr>
<th>In Millions, except for Earnings (Loss) per Share</th>
<th>YTD 2023</th>
<th>2022</th>
<th>2021 (A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$7.4</td>
<td>$43.1</td>
<td>$39.2</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>($0.9)</td>
<td>$2.4</td>
<td>$12.8</td>
</tr>
<tr>
<td>Earnings (Loss) per Diluted Share</td>
<td>($0.03)</td>
<td>$0.08</td>
<td>$0.42</td>
</tr>
<tr>
<td>Total Cash</td>
<td>$16.6</td>
<td>$21.2</td>
<td>$21.4</td>
</tr>
<tr>
<td>Inventory</td>
<td>$36.6</td>
<td>$33.5</td>
<td>$29.2</td>
</tr>
<tr>
<td>Total Debt</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

(A) Included $6.3M tax benefit from release of deferred tax asset valuation allowance and $0.9M gain on extinguishment of debt (PPP loan) in Q4 FY2021

Q1 FY 2023 Summary*

- Announced grand opening of the Company’s first Signature Showroom retail location in October 2022
- Launched new Couture, Signature Collection Men's Bands and in October 2022, our Created Color collections in Caydia® lab grown diamond
- Total net sales decreased 28% with decrease in Online Channels segment of 10% and decrease in Traditional segment of 49%
- Gross margin at 45% vs 51% in the year ago quarter
- Finished jewelry sales represents 75% of total Q1 FY 2023 sales
- 2% decrease in charlesandcolvard.com revenue
- 12% decrease in moissanite sales
- 85% increase in lab grown diamond sales
- Loss from operations of $1.2 million vs prior year income from operations of $950,000
- Income tax benefit of $303,000 vs $123,000 income tax expense in the prior year quarter
- Net loss of $890,000 or $0.03 loss per diluted share vs the prior year’s quarter’s net income of $827,000 or $0.03 earnings per diluted share
- Balance sheet with $16.6 million cash, cash equivalents and restricted cash and $24.9 million in working capital
- Cash collateralized line of credit of $5 million, which has not been accessed

*Comparisons to Q1 FY 2022 unless otherwise noted

Online Channels Segment Net Sales

<table>
<thead>
<tr>
<th>In Millions</th>
<th>YTD 2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$4.9</td>
<td>$26.8</td>
<td>$23.2</td>
</tr>
<tr>
<td>% of Total Sales</td>
<td>66%</td>
<td>62%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Traditional Segment Net Sales

<table>
<thead>
<tr>
<th>In Millions</th>
<th>YTD 2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$2.5</td>
<td>$16.3</td>
<td>$16.0</td>
</tr>
<tr>
<td>% of Total Sales</td>
<td>34%</td>
<td>38%</td>
<td>41%</td>
</tr>
</tbody>
</table>