



CHARLES & COLVARD®

INVESTOR FACT SHEET



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

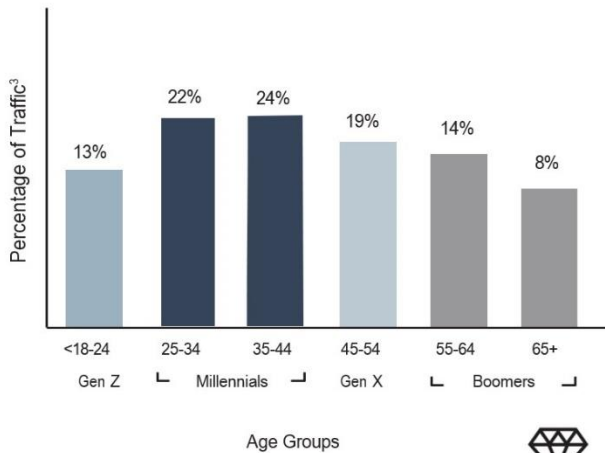
Company Overview

Charles & Colvard, Ltd. (Nasdaq: CTHR) believes that fine jewelry should be as ethical as it is exquisite. Charles & Colvard is the original creator of lab grown moissanite (a rare gemstone formed from silicon carbide). The Company brings revolutionary gems and fine jewelry to market by using exclusively *Made, not Mined™* above ground gemstones and a dedication to 100% recycled precious metals. Their Forever One™ moissanite and Caydia® lab grown diamond brands provide exceptional quality, incredible value and a conscious approach to bridal, high fashion, and everyday jewelry.

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 that has fueled gross margins as high as 50%
- Healthy balance sheet
- Lab grown diamonds comprise around 10% of all diamond sales, with the lab grown diamond market estimated to be worth \$55.5 billion in 2031¹
- Worldwide fashion jewelry market expected to drive approximately \$307 billion in worldwide sales by 2026²

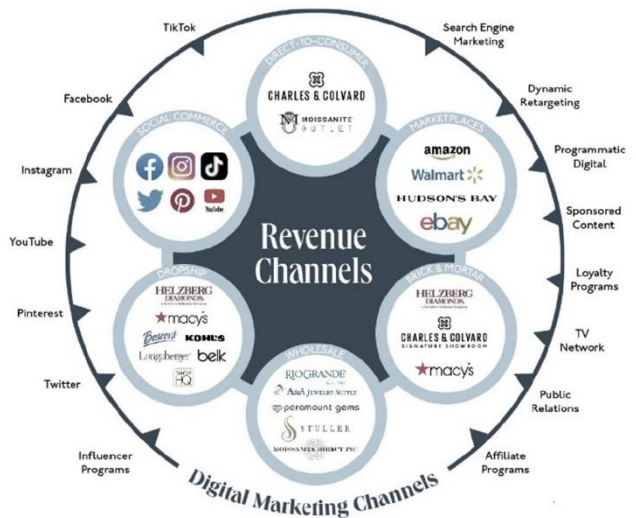
Customer Demographics



ONE in FOUR MILLENNIALS
Buy their engagement ring online⁴



Omni-Channel Strategy



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

INVESTOR FACT SHEET (continued)

Net Sales – Q4 FY 2023

In Millions	Net Sales Overall	Online Channels Segment	Traditional Segment	Finished Jewelry / Loose Stones
Q4 FY 2023	\$5.6	\$4.2	\$1.4	\$4.7 (Finished) / \$0.9 (Loose)
Q4 FY 2022	\$9.3	\$5.7	\$3.6	\$6.1 (Finished) / \$3.2 (Loose)
Q4 FY 2023 Notes	40% decrease	75% of net sales	25% of net sales	84% of net sales: finished jewelry

Financial Summary - Annual

FISCAL YEAR ENDED JUNE 30

In Millions, except for Earnings (Loss) per Share	2023 ^(B)	2022	2021 ^(A)
Revenue	\$29.9	\$43.1	\$39.2
(Loss) Net Income	(\$19.6)	\$2.4	\$12.8
(Loss) Earnings per Diluted Share	(\$0.65)	\$0.08	\$0.42
Total Cash	\$15.6	\$21.2	\$21.4
Inventory	\$26.8	\$33.5	\$29.2
Total Debt	\$0.0	\$0.0	\$0.0

(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

(B) Included \$6.3M tax expense driven by the establishment of a deferred tax asset valuation allowance on the deferred tax assets in Q3 2023; and \$5.9M inventory write-down in Q4 2023.

Q4 FY 2023 Summary*

- Launched successful Mother's Day and Father's Day campaigns on charlesandcolvard.com
- Expanded *Forever One*™ moissanite and *Caydia*® lab-grown diamond fine jewelry styles on charlesandcolvard.com, including Signature and Exotics Collections, in both lab grown diamonds and moissanite; and Made in Color Collection and unisex brands in lab grown diamonds.
- Launched 3 new dropship partnerships featuring *Moissanite by Charles & Colvard*® fine jewelry
- Company products featured in 34 brand and product placements and 23 features, including *Marie Claire*, *The Hollywood Reporter*, *Brides*, *JCK*, *The Knot* and *AC Magazine*
- Total net sales decreased 40% with decrease in Online Channels segment of 27% and decrease in Traditional segment of 61%
- Revenue from moissaniteoutlet.com-owned property increased by 64% for Q4:23
- Finished jewelry sales represents 84% of total Q4 FY 2023 sales
- Balance sheet with \$15.6 million total cash and zero debt
- Overall book value ended Q4 at \$1.30 per share

*Comparisons to Q4 FY 2022 unless otherwise noted

Online Channels Segment Net Sales

FISCAL YEAR ENDED JUNE 30

In Millions	2023	2022	2021
Net Sales	\$21.5	\$26.8	\$23.2
% of Total Sales	72%	62%	59%

Traditional Segment Net Sales

FISCAL YEAR ENDED JUNE 30

In Millions	2023	2022	2021
Net Sales	\$8.5	\$16.3	\$16.0
% of Total Sales	28%	38%	41%

Contact Us

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1. Chan, E. 2023, August 29. *Can Lab-Grown Diamonds Really Go Mainstream?* British Vogue. <https://www.vogue.co.uk/article/pandora-lab-grown-diamonds>
2. Value of the Jewelry Market Worldwide in 2020 and 2026, Statista (February 2022)
3. Google Analytics Percentage of Traffic by Age on charlesandcolvard.com for July 1, 2022 – June 30, 2023
4. How to Buy an Engagement Ring Like a Millennial (December 2019)