



Nasdaq: CTHR

CHARLES & COLVARD

Investor Fact Sheet

Q4 Fiscal 2019 By The Numbers:

- Net sales of \$7.6 million
- 19% increase in net sales
- 28% increase in finished jewelry net sales
- Forever One™ represented 85% of net sales
- Strong gross margin of 44%
- Fourth consecutive profitable quarter with \$0.2 million net income
- Book value of \$1.63 at 6/30/19

Investment Considerations:

- Large and expanding market for online jewelry
- High quality & ethically-sourced product
- Large millennial audience
- Scalable Online Channel growth
- Significant global opportunity
- Insider ownership of 16% by experienced management team and Board
- No long-term debt
- Capital raise of \$11M (gross)

Moissanite: The World's Most Brilliant Gem®

Moissanite is one of the rarest minerals on earth, first discovered more than 120 years ago by Nobel Prize winning chemist Henri Moissan. This lab-created gemstone is comprised of uniquely stacked silicon carbide. This chemical structure yields a colorless and near-colorless gemstone whose hardness rivals any mineral on earth and boasts refractive properties exceeding that of a diamond. This means it will stand up to daily wear and tear and it will sparkle brighter than any other gemstone in your jewelry box.

At Charles & Colvard we believe luxury can be both beautiful and conscientious. With innovative technology and sustainable practices, our goal is to lead a revolution in the jewelry industry — delivering a brilliant product at an extraordinary value balanced with environmental and social responsibility.

Strategic Summary

Recent Accomplishments:

- Fiscal Year Ended 2019 net sales of \$32.2 million
- Traditional segment net sales increased 30% in Q4 2019
- charlesandcolvard.com net sales grew 30% in Q4 2019
- Fourth consecutive quarter of profitability with FY 2019 net income of \$2.3 million

Strategic Initiatives for 2020:

- Expansion of Brand Awareness
- International Sales Reach
- Product Evolution
- Enhanced Customer Experience
- Corporate Social Responsibility



21%

increase in marketable leads
in our email database
in FY 2019

257%

growth in our social media following
since the Charles & Colvard re-launch
in October of 2016

Market Opportunity

- Global online fashion jewelry \$45B; expected to represent 15% of the global jewelry market by 2020¹
- A global online fine jewelry \$30B by 2020²
- Millennial audience embracing lab-created alternative options

\$75B

estimated global online fashion and fine jewelry market by 2020^{1,2}

11%

of brides choosing jewels other than diamond³

Target Audience

\$200B

the annual buying power of millennials in the U.S.⁴

80%

of millennials prioritize making the world a better place, and gravitate toward brands that live this vision⁵

71%

of millennials have an Amazon Prime membership⁶

Financial Summary

IN MILLIONS	12 MONTHS ENDED JUNE 30		
	2017*	2018*	2019
REVENUE	\$23.5	\$27.9	\$32.2
INCOME (LOSS) FROM OPERATIONS	\$(3.2)	\$(1.3)	\$2.3
TOTAL CASH BALANCE	\$6.3	\$3.4	\$13.0
INVENTORY BALANCE	\$26.1	\$31.8	\$33.7

*2017 and 2018 results are unaudited and recasted to reflect change in fiscal year end.

The Leadership Team



Neal Goldman
Chairman of the Board of Directors

President Goldman Capital Management, Inc.



Suzanne Miglucci
President & Chief Executive Officer

Previous Experience
channeladvisor
SAP SCIQUEST



Don O'Connell
Chief Operating Officer & Senior Vice President, Supply Chain

Previous Experience
O'FIT RICHLINE GROUP



Clint J. Pete
Chief Financial Officer

Previous Experience
ORACLE
TEKELEC EY



Tom Bergan
Senior Vice President of Sales

Previous Experience
ZALE CORPORATION ShopNBC



John Lane
Vice President, Marketing

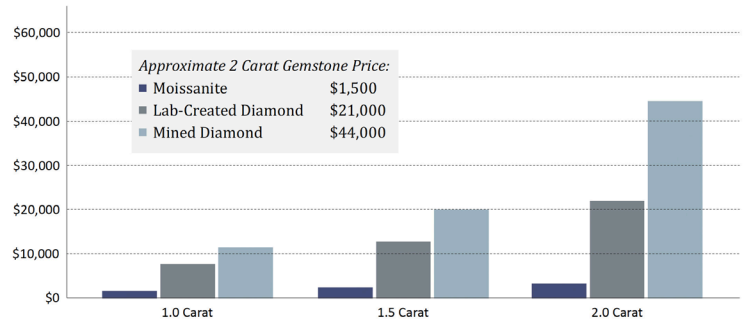
Previous Experience
CENTERLINE DIGITAL
With clients such as:
IBM 360

SOURCES:

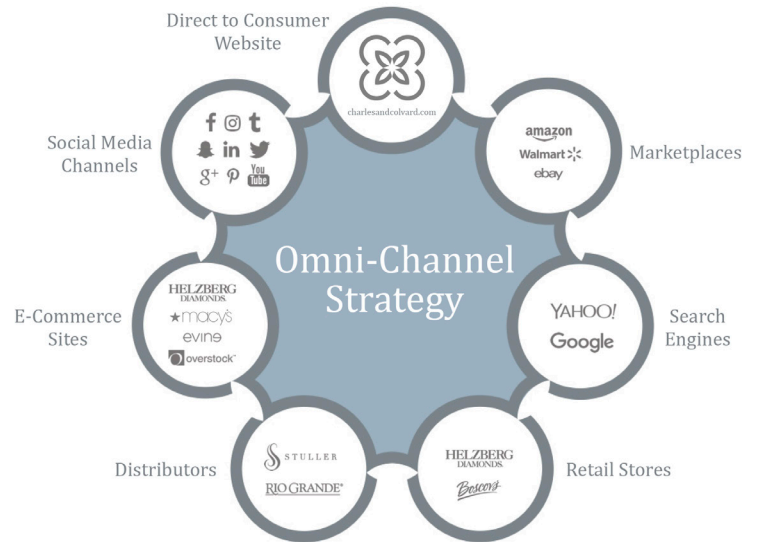
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- https://issuu.com/jckmagazine/docs/bridal_jck201718
- <https://www.forbes.com/sites/michaelsolomon/2015/01/21/the-millennial-customer-has-arrived-has-200-billion-to-spend-and-wants-a-new-style-of-customer-service/#4d4cd0013e29>
- <https://www.forbes.com/sites/deppatel/2017/03/13/big-brands-and-businesses-are-aligning-their-missions-with-millennial-and-gen-z-consumers/#31935c755a41>
- <https://www.statista.com/statistics/609991/amazon-prime-reach-usa-generation>

Affordable Luxury

Moissanite vs. Diamonds



Routes to Market



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