



E-Commerce Driven Business Bringing Lab-Created Gemstones & Jewelry to Market Through Innovative Technology and Direct-To-Consumer Engagement

Company Overview

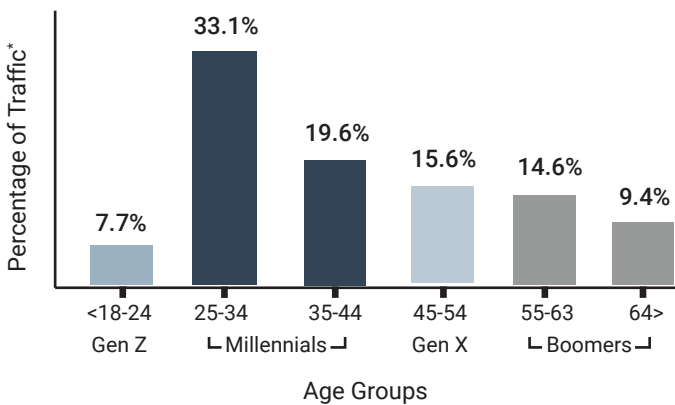
Charles & Colvard, Ltd. (Nasdaq: CTHR) believes luxury can be beautiful and conscientious. As an e-commerce business, the Company's goal is to bring revolutionary gemstones and jewelry to market through the use of innovative technology and direct-to-consumer (DTC) engagement.



Investment Summary

- High quality, ethically-sourced product
- Broad omni-channel distribution network
- Revenue growth and six consecutive quarters of profitability
- Expanding global market for lab-created gemstones
- E-commerce oriented customer base of Millennials and Gen Zs
- Strong DTC growth fueling 40-50% gross margins
- Global online fashion jewelry: \$45B^{1,2}
- Global online fine jewelry: \$30B^{1,2}

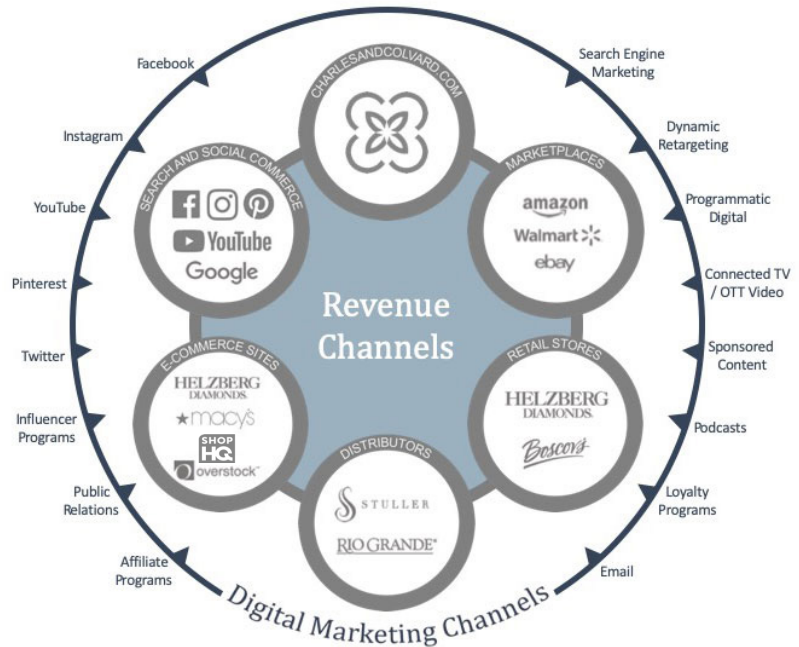
Customer Demographics



27 Commitment is the average age of engagement in the U.S.³

*Percentage of traffic from charlesandcolvard.com

Omni-Channel Strategy



The New Luxury Buyer: Statistics

Purchasing Power

45% of luxury market purchases will be made by Millennials & Gen Z by 2025⁴

Social Conscience

87% of Millennials are more willing to purchase a product that has social or environmental benefits⁵

Connected

72% of Millennials say that if a brand engaged with them on social networks, they are more likely to become a loyal customer⁶

Value-Oriented

2/3 of young Americans think an engagement ring should cost less than \$2,500⁷

Digital & Mobile

76% of Millennials browse the internet before making either an online or offline purchasing decision⁸

Moissanite: 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 Research Triangle Park, NC
- More fire and brilliance than a diamond
- Harder than sapphire, emerald and ruby



Net Sales - Q2 FY2020

Year	Net Sales Overall	Online Channels Segment	Traditional Segment	Finished Jewelry/ Loose Stones
Q2 FY2020	\$10.7M	\$6.1M	\$4.6M	\$6.4M (Finished) \$4.2M (Loose)
Q2 FY2019	\$10.1M	\$5.5M	\$4.7M	\$5.2M (Finished) \$4.9M (Loose)
Q2 FY2020 NOTES	Continued solid top line growth	57% of net sales	43% of net sales	Continued solid growth in Finished Jewelry

Financial Summary - Annual & YTD

In Millions	6 MONTHS ENDED DECEMBER 31		12 MONTHS ENDED JUNE 30
	YTD 2020	2019	2018*
Revenue	\$18.3	\$32.2	\$27.9
Income (Loss) from Operations	\$0.9	\$2.3	(\$1.3)
Total Cash Balance	\$13.3	\$13.0	\$3.4
Inventory Balance	\$35.8	\$33.7	\$31.8

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

Q2 FY2020 Highlights*

- Strong gross margin of 48% fueled by e-commerce and Forever One™ jewelry sales
- Online Channels net sales growth of 12% with increased uptake of Moissanite by Charles & Colvard®
- Continued solid performance of charlesandcolvard.com with 12% net sales growth
- Cross border trade sales increased by 19%
- Expanded footprint and product selection in key brick-and-mortar retail partners increased sales
- Net income of \$0.03 per diluted share
- Six consecutive quarters of profitability

*Comparisons to Quarter Ended 12/31/18 unless otherwise noted

Online Channels Revenue

In Millions	6 MONTHS ENDED DECEMBER 31		12 MONTHS ENDED JUNE 30
	YTD 2020	2019	2018*
Net Sales	\$9.8M	\$16.3M	\$13.1M
% Of Total Sales	54%	51%	47%

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

Finished Jewelry Revenue

In Millions	6 MONTHS ENDED DECEMBER 31		12 MONTHS ENDED JUNE 30
	YTD 2020	2019	2018*
Net Sales	\$10.3M	\$15.5M	\$13.0M
% Of Total Sales	56%	48%	47%

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

Contact Us

Jenny Kobin, Investor Relations Advisory Solutions
jenny.kobin@iradvisory.com

Clint J. Pete, Chief Financial Officer, Charles & Colvard
cpete@charlesandcolvard.com; 919.468.0399 ext 354

For more information, visit charlesandcolvard.com

1 As Fine Jewelry Moves Online, The Market Sparkles (April 2016)
 2 A Multifaceted Future: The Jewelry Industry in 2020 (February 2014)
 3 The Balance Article - What is the Average Age of Marriage in the U.S.? Rebecca Lake (Fall 2019)
 4 MVI Marketing Consumer Research Study (Fall 2018)
 5 CNBC Article - Quoting Bank of America Merrill Lynch analyst Ashley Wallace (June 2016)
 6 TELUS International / Harris Insight Survey (Summer 2018)
 7 TD Ameritade: Young Americans & Marriage Survey (May 2019)
 8 The Millennial Shopping Report (Summer 2017) TELUS International / Harris Insight Survey (Summer 2018)