



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.

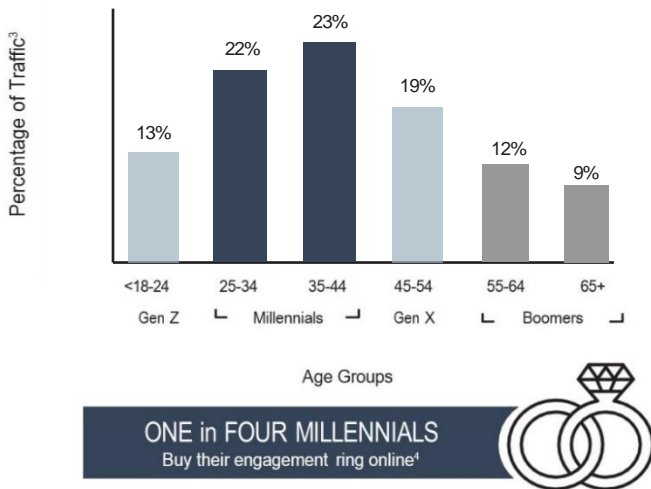
Company Overview

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.

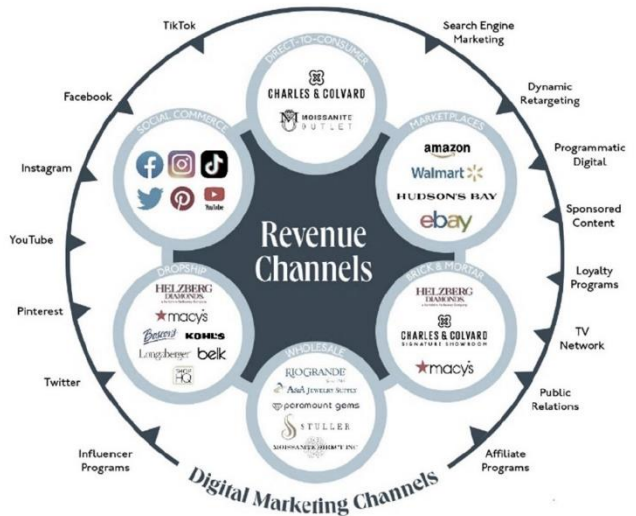
Investment Summary

- 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
- Global jewelry market expected to reach \$518.9 billion by 2030 and expand at a CAGR of 8.5% from 2022 to 2030²

Customer Demographics



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 – Q1 FY 2024

In Millions	Net Sales Overall	Online Channels Segment	Traditional Segment	Finished Jewelry / Loose Stones
Q1 FY 2024	\$5.0	\$3.9	\$1.0	\$4.3 (Finished) / \$0.7 (Loose)
Q1 FY 2023	\$7.4	\$4.9	\$2.5	\$5.5 (Finished) / \$1.8 (Loose)
Q1 FY 2024 Notes	33% decrease	79% of net sales	21% of net sales	87% of net sales: finished jewelry

Financial Summary - Annual

3 Months Ended Sept. 30 FISCAL YEAR ENDED JUNE 30

In Millions, except for Earnings (Loss) per Share	YTD 2024	2023 ^(A)	2022
Net Sales	\$5.0	\$29.9	\$43.1
(Loss) Net Income	(\$2.5)	\$(19.6)	\$2.4
(Loss) Earnings per Diluted Share	(\$0.08)	(\$0.65)	\$0.08
Total Cash	\$12.7	\$15.6	\$21.2
Inventory	\$27.3	\$26.8	\$33.5
Total Debt	\$0.0	\$0.0	\$0.0

(A) 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.

Q1 FY 2024 Summary*

- Successfully launched company's MADE™ shopping network, conducting live broadcasting on three channels, three times per week and livestreamed on major social media networks
- Expanded *Forever One™* moissanite and *Caydia®* lab-grown diamond fine jewelry styles on charlesandcolvard.com across all categories, including bridal and anniversary styles in both moissanite and lab grown diamond; Couture Collection in lab grown diamond; Made in Color collection in lab grown diamond; fashion jewelry assortment in both moissanite and lab grown diamond; and men's fine jewelry in lab grown diamond;
- *Caydia®* sales increased 8% during Q1 and representing 15% of total business, up from 9% same period one year ago
- Total net sales decreased 33% with decrease in Online Channels segment of 19% and decrease in Traditional segment of 59%
- Finished jewelry sales represents 87% of total Q1 FY 2024 sales
- Balance sheet with \$12.7 million total cash and zero debt
- Overall book value ended Q1 at \$1.22 per share

*Comparisons to Q1 FY 2023 unless otherwise noted

Online Channels Segment Net Sales

3 Months Ended Sept. 30 FISCAL YEAR ENDED JUNE 30

In Millions	YTD 2024	2023	2022
Net Sales	\$3.9	\$21.5	\$26.8
% of Total Sales	79%	72%	62%

Traditional Segment Net Sales

3 Months Ended Sept. 30 FISCAL YEAR ENDED JUNE 30

In Millions	YTD 2024	2023	2022
Net Sales	\$1.0	\$8.5	\$16.3
% of Total Sales	21%	28%	38%

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. Global Jewelry Market (2022 to 2030) – Size, Share & Trends Analysis Report, ResearchAndMarkets.com (July 18, 2022)

3. Google Analytics Percentage of Traffic by Age on charlesandcolvard.com for October 1, 2022 – September 30, 2023

4. How to Buy an Engagement Ring Like a Millennial (December 2019)