



CHARLES & COLVARD[®]

Dear valued shareholders,

I hope this letter finds you in good health and high spirits. During times of uncertainty, it's not uncommon to overlook the bright spots and to focus on the formidable. As we reflect on the past year, I wanted to take a moment to address the challenges we faced and share an optimistic outlook for the future. Despite the macroeconomic impacts that have affected our economy, I firmly believe that brighter days lie ahead. And while Charles & Colvard, Ltd. (the "Company") certainly faced some challenges during fiscal year 2023—including a difficult macroeconomic backdrop, weakened consumer confidence, a softening engagement market and pricing pressure on both diamonds and moissanite—we were able to boast many accomplishments in support of our fiscal year 2023 strategic initiatives.

Looking ahead, we believe those initiatives create shareholder value as well as position us for future success once the macroeconomic impacts begin to subside. As the economy recovers, we anticipate a gradual return to normalcy, with consumer spending rebounding and demand picking up pace. I believe that our organization is well positioned to capitalize on these opportunities. Our key strategic goals for fiscal year 2024 include: enhancing our global brand awareness campaigns, diversifying our product categories, and innovating our technology. We remain steadfast in our quest for sustained, top-line organic growth as our *Made, not Mined*[™] brand messaging resonates with new consumers. We continue to evaluate opportunities with synergistic brands and adjacent verticals in order to drive growth. Lastly, our continued strategic investments in innovative technology will help us remain nimble while utilizing our innovative streaming broadcast technology to attract new digital audiences where shoppers are consuming content and transacting. We are excited about the opportunities that await us.

I believe our strategic investments and our diverse sales channels will enable us to introduce new products and services that cater to evolving customer needs to put us at the forefront of the market. Our commitment to ethical practices and our *Made, not Mined*[™] provenance, we believe, will not only resonate with environmentally conscious consumers but also align with industry trends.

Furthermore, we are actively exploring new verticals and strategic partnerships to diversify our revenue streams. By expanding our global footprint, we aim to reduce our dependence on any single market, helping to mitigate potential future risks. We remain committed to fostering a strong corporate culture that attracts and retains top talent, as our team members are the driving force behind our success.

In conclusion, while we acknowledge the challenges we faced, I firmly believe that our organization is poised for growth and success. I believe that our resilience, adaptability, and relentless pursuit of excellence will continue to fuel our journey forward. We are confident that, together, we will emerge from these trying times stronger, smarter, and more prosperous.

On behalf of the entire leadership team, I extend my heartfelt gratitude to our shareholders for your unwavering support. Your trust and confidence in our organization have been instrumental in navigating these challenging times. We remain committed to leveraging our strengths, refining our strategies and capitalizing on new opportunities in order to deliver long-term value and maximize returns for all of our stakeholders.

Wishing you all a bright and prosperous future.



Don O'Connell
President & CEO



Cautionary Note:

This document contains forward-looking statements relating to the company's business. Our business is subject to numerous risks and uncertainties, which could cause actual results to differ materially from those expressed or implied by these forward-looking statements. We refer you to our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 for a discussion of such risks and uncertainties.