



A globally recognized fine jewelry brand specializing in lab created gems that is transforming the industry through direct-to-consumer engagement and wholesale distribution.

Company Overview

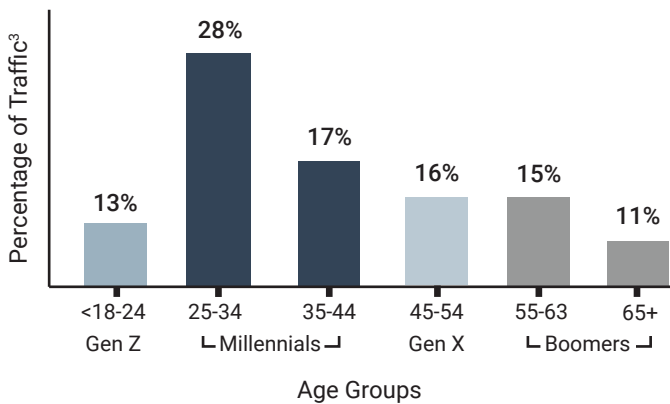
Charles & Colvard, Ltd. (Nasdaq: CTHR) believes that fine jewelry can be accessible, beautiful and conscientious. Charles & Colvard is the original pioneer of lab-created moissanite, a rare gemstone formed from silicon carbide. The Company brings revolutionary gems and jewelry to market through its pinnacle Forever One™ moissanite brand and its premium Caydia™ lab grown diamond brand. Consumers seek Charles & Colvard fashion, bridal and fine jewelry because of its exceptional quality, incredible value and shared beliefs in environmental and social responsibility.



Investment Summary

- High quality, ethically-sourced product
- Broad omni-channel distribution network
- Expanding global market for lab-created gemstones
- E-commerce oriented customer base of Millennials and Gen Zs
- DTC model fueling 40-50% gross margins
- Solid balance sheet
- Global online fashion and fine jewelry market: \$75B¹
- Estimated \$5.2 billion opportunity in the lab grown diamond space²

Customer Demographics



1 in 4

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
- 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 and comes with limited lifetime warranty

Caydia™ Lab Grown Diamonds

- A specially curated assortment of premium lab grown diamonds set in bridal and fine jewelry - 14K and 18K gold as well as platinum
- Launched September 2020
- Available in E, F and G color grades with a minimum clarity of VS1 along with excellent polish and symmetry
- Range in weight from 0.50 carats to 2.00 carats
- Third party certification

Net Sales - Q3 FY2021

In Millions	Net Sales Overall	Online Channels Segment	Traditional Segment	Finished Jewelry / Loose Stones
Q3 FY2021	\$9.4	\$5.6	\$3.8	\$6.2 (Finished) \$3.2 (Loose)
Q3 FY2020	\$6.5	\$3.8	\$2.7	\$3.5 (Finished) \$3.0 (Loose)
Q3 FY2021 Notes	45% increase	59% of net sales	41% of net sales	79% increase in finished jewelry



Financial Summary - Annual & YTD

In Millions, except for Earnings per Share	9 MONTHS ENDED MARCH 31		12 MONTHS ENDED JUNE 30	
	YTD 2021	2020	2020	2019
Revenue	\$29.5	\$29.2	\$32.2	\$32.2
Net Income (Loss)	\$4.4	(\$6.2)	\$2.3	\$2.3
Earnings (Loss) per Diluted Share	\$0.15	(\$0.22)	\$0.10	\$0.10
Total Cash	\$19.7	\$14.6	\$13.0	\$13.0
Inventory	\$28.9	\$30.6	\$33.7	\$33.7
Total Debt, PPP Loan	\$1.0	\$1.0	N/A	N/A

Q3 FY2021 Summary*

- Net sales increased 45% in both Online Channels and Traditional segments
- Third highest revenue for quarter ended March 31st in company's 25 year history
- Gross Margin of 46%
- Finished jewelry net sales increased 79%, representing 66% of total net sales
- Results improved to net income of \$1.0 million, or \$0.03 earnings per diluted share, from the prior year's net loss of \$6.2 million, or \$0.21 loss per diluted share
- Inventory levels continually optimized
- Balance sheet with \$19.7 million in cash, cash equivalents and restricted cash
- Generated \$2.3 million in cash flow from operations
- Line of Credit of \$5 million, which has not been accessed

*Comparisons to Q3 FY2020 unless otherwise noted

Online Channels Segment Net Sales

In Millions	9 MONTHS ENDED MARCH 31		FISCAL YEAR ENDED JUNE 30	
	YTD 2021	2020	2020	2019
Net Sales	\$17.6	\$16.6	\$16.3	\$16.3
% of Total Sales	60%	57%	51%	51%

Traditional Segment Net Sales

In Millions	9 MONTHS ENDED MARCH 31		FISCAL YEAR ENDED JUNE 30	
	YTD 2021	2020	2020	2019
Net Sales	\$11.9	\$12.6	\$15.9	\$15.9
% of Total Sales	40%	43%	49%	49%

Contact Us

Clint J. Pete, Chief Financial Officer, Charles & Colvard, Ltd.
IR@charlesandcolvard.com; 919.468.0399

For more information, visit charlesandcolvard.com

1 As Fine Jewelry Moves Online, The Market Sparkles (April 2016)
2 Zimmisky, P. (2018). Lab-created Diamond Jewellery Market to Grow to US\$15B by 2035. Jeweller Magazine, 32-33.
3 Google Analytics Percentage of Traffic by Age on charlesandcolvard.com for April 1, 2020 to March 31, 2021
4 How to Buy an Engagement Ring Like a Millennial (December 2019)