



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.

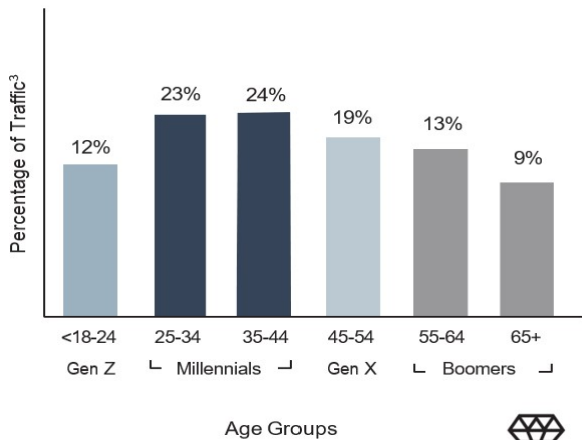
Company Overview

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
- The global lab grown diamonds market is projected to reach \$55.6 billion by 2031, growing at a CAGR of 9.8%¹
- Sustainability-influenced purchases will account for 20% to 30% of all fine jewelry sales by 2025 reaching as much as \$110 billion, which is more than triple the number from 2019²

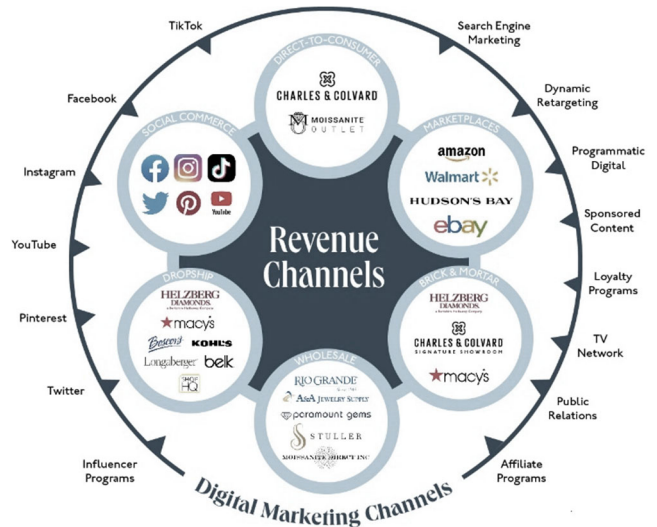
Customer Demographics



ONE in FOUR 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
- 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 – Q3 FY 2023

In Millions	Net Sales Overall	Online Channels Segment	Traditional Segment	Finished Jewelry / Loose Stones
Q3 FY 2023	\$6.6	\$4.6	\$2.0	\$5.3 (Finished) / \$1.3 (Loose)
Q3 FY 2022	\$9.8	\$6.4	\$3.4	\$7.4 (Finished) / \$2.3 (Loose)
Q3 FY 2023 Notes	32% decrease	70% of net sales	30% of net sales	80% of net sales: finished jewelry

Financial Summary - Annual & YTD

9 Months Ended
Mar. 31 FISCAL YEAR ENDED JUNE 30

In Millions, except for Earnings (Loss) per Share	YTD 2023 ^(B)	2022	2021 ^(A)
Revenue	\$24.4	\$43.1	\$39.2
(Loss) Net Income	(\$10.3)	\$2.4	\$12.8
(Loss) Earnings per Diluted Share	(\$0.34)	\$0.08	\$0.42
Total Cash	\$16.0	\$21.2	\$21.4
Inventory	\$33.3	\$33.5	\$29.2
Total Debt	\$0.0	\$0.0	\$0.0

(A) Included \$6.3M tax benefit from release of deferred tax asset valuation allowance and \$0.9M gain on extinguishment of debt (PPP loan) in Q4 FY2021

(B) Included \$6.3M tax expense driven by the establishment of a deferred tax asset valuation allowance on the deferred tax assets in Q3 2023

Q3 FY 2023 Summary*

- Launched 55 new designs of patented signature collection in engagement rings and wedding bands
- Expanded Caydia lab-grown diamond Couture Collection to include ring, necklace, earring and bracelet styles
- Progressed company's Created Color line of products featuring Caydia lab-grown diamonds
- Finished fine jewelry products featured in multiple local and national, electronic and print publications, including *The Knot*®, *AC Magazine*, *Insider.com*, *Yahoo!*, *Byrdie.com*, and *Brides Magazine*
- Total net sales decreased 32% with decrease in Online Channels segment of 27% and decrease in Traditional segment of 40%
- Gross margin at 32% vs 46% in the year ago quarter
- Finished jewelry sales represents 80% of total Q3 FY 2023 sales
- 13% decrease in moissanite sales
- 5% decrease in lab grown diamond sales
- Loss from operations of \$2.2 million vs prior year income from operations of \$0.4 million
- Balance sheet with \$16.0 million total cash and zero debt

*Comparisons to Q3 FY 2022 unless otherwise noted

Online Channels Segment Net Sales

9 Months Ended
Mar. 31 FISCAL YEAR ENDED JUNE 30

In Millions	YTD 2023	2022	2021
Net Sales	\$17.3	\$21.0	\$18.4
% of Total Sales	71%	62%	62%

Traditional Segment Net Sales

9 Months Ended
Mar. 31 FISCAL YEAR ENDED JUNE 30

In Millions	YTD 2023	2022	2021
Net Sales	\$7.1	\$12.7	\$11.4
% of Total Sales	29%	38%	38%

Contact Us

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1. <https://www.alliedmarketresearch.com/lab-grown-diamonds-market-A13694>
2. <https://www.mckinsey.com/industries/retail/our-insights/in-fine-jewelry-and-watches-sustainability-shines-through>
3. Google Analytics Percentage of Traffic by Age on charlesandcolvard.com for April 1, 2022 - March 31, 2023
4. How to Buy an Engagement Ring Like a Millennial (December 2019)