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.

### 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

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**Customer Demographics**

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>Percentage of Traffic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z</td>
<td>13%</td>
</tr>
<tr>
<td>Millennials</td>
<td>24%</td>
</tr>
<tr>
<td>25-34</td>
<td>24%</td>
</tr>
<tr>
<td>35-44</td>
<td>18%</td>
</tr>
<tr>
<td>45-54</td>
<td>13%</td>
</tr>
<tr>
<td>55-64</td>
<td>8%</td>
</tr>
<tr>
<td>65+</td>
<td></td>
</tr>
</tbody>
</table>

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**Omni-Channel Strategy**

- TikTok
- Facebook
- Instagram
- YouTube
- Pinterest
- Twitter
- Influencer Programs
- Search Engine Marketing
- Dynamic Retargeting
- Programmatic Digital
- Sponsored Content
- Loyalty Programs
- Email
- Public Relations
- Affiliate Programs

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**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 fueling 40-50% gross margins
- Healthy balance sheet
- Lab grown diamonds predicted to constitute 12% of the diamond jewelry market by 2025, up from 8% in 2021
- Worldwide fashion jewelry market expected to drive approximately $307 billion in worldwide sales by 2026

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**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.

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**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.
Financial Summary - Annual & YTD

- Announced grand opening of the Company's first Signature Showroom retail location in October 2022.
- Launched new Couture, Signature Collection Men's Bands and in October 2022, our Created Color collections in Caydia® lab grown diamond.
- Total net sales decreased 25% with decrease in Online Channels segment of 16% and decrease in Traditional segment of 43%.
- Gross margin at 41% vs 49% in the year ago quarter.
- Finished jewelry sales represents 81% of total Q2 FY 2023 sales.
- 22% decrease in charlesandcolvard.com revenue.
- 29% decrease in moissanite sales.
- 19% increase in lab grown diamond sales.
- Loss from operations of $1.2 million vs prior year income from operations of $1.5 million.
- Income tax benefit of $132,000 vs $283,000 income tax expense in the prior year quarter.
- Net loss of $1.0 million or $0.03 loss per diluted share vs the prior year’s quarter’s net income of $1.2 million or $0.04 earnings per diluted share.
- Balance sheet with $17.0 million cash, cash equivalents and restricted cash and $26.3 million in working capital.
- Cash collateralized line of credit of $5 million, which has not been accessed.

Online Channels Segment Net Sales

<table>
<thead>
<tr>
<th>In Millions</th>
<th>YTD 2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$12.7</td>
<td>$26.8</td>
<td>$23.2</td>
</tr>
<tr>
<td>% of Total Sales</td>
<td>72%</td>
<td>62%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Traditional Segment Net Sales

<table>
<thead>
<tr>
<th>In Millions</th>
<th>YTD 2023</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$5.0</td>
<td>$16.3</td>
<td>$16.0</td>
</tr>
<tr>
<td>% of Total Sales</td>
<td>28%</td>
<td>38%</td>
<td>41%</td>
</tr>
</tbody>
</table>