

Letter to Shareholders of Charles & Colvard, LTD from Riverstyx Capital Management, LLC
Urges Shareholders to Support Real Change on the Charles & Colvard Board of Directors

To Charles & Colvard, LTD Shareholders:

Riverstyx Capital Management, LLC (Riverstyx), the largest independent shareholder of Charles & Colvard, LTD (NASDAQ: CTHR) (the "Company"), has nominated three ca

CHARLES & COLVARD'S BUSINESS HAS SIGNIFICANTLY DETERIORATED, ITS VALUE HAS COLLAPSED, AND RIVERSTYX IS CONCERNED ABOUT LIQUIDITY

- In Fiscal Year 2020, a difficult year for the company due to the pandemic, the company spent \$9.4 million on Sales & Marketing. Yet, in the trailing 12 m
- This performance has led to a significant crash in the share price, down by 70% in the trailing one-year period ending 9/30/2024.
- In Riverstyx's view, the need to establish a credit line amid declining cash suggests that liquidity may become a problem. Additionally, Charles & Colvar

CHANGE IS NEEDED NOW, AND RIVERSTYX HAS A PLAN. SHAREHOLDERS SHOULD CONTACT US RIGHT AWAY AT INFO@RIVERSTYXCAPITAL.COM TO LEARN MORE

The third quarter of 2024 saw an operating loss of \$3.7 million, continuing a series of losing quarters. If something does not change soon, the remaining value w

RIVERSTYX'S GOOD FAITH EFFORTS AT ENCOURAGING CHANGE

We have engaged in discussions with Charles & Colvard leadership for many months, without any meaningful progress.

Note, shareholders can replace Board members only at an annual shareholder meeting. For the annual shareholder meeting in 2024, the company set a deadline to subm

Thus, on August 27th, 2024, consistent with the deadline to submit nominations, and in the absence of any discussions with the company, Riverstyx notified the com

CALL TO ACTION: SUPPORT POSITIVE CHANGE

We ask shareholders to support our effort to elect new, truly independent directors who will prioritize the best interests of all shareholders. Your vote for cha

RIVERSTYX ENCOURAGES ALL SHAREHOLDERS TO REACH OUT TO US DIRECTLY WITH QUESTIONS AND CONCERNS:

Ben Franklin
Portfolio Manager
Riverstyx Capital Management
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The Participants (as defined below) intend to file a definitive proxy statement and accompanying form of proxy card with the SEC to be used in connection with the
The "Participants" in this proxy solicitation are currently: (i) Riverstyx Fund, LP, (ii) Riverstyx Fund GP, LLC, (iii), Riverstyx Capital Management, LLC, and (i

As of the date hereof, the Participants beneficially own (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended), in the aggregat