

Letter to Shareholders



We are pleased to share our results for the fourth quarter and full year of fiscal 2025, ended September 30, 2025. Following the divestiture of Nestor Cables announced on November 12, 2025, we are reporting only on the Clearfield segment. Beginning with this release, Clearfield is reflected as continuing operations, with Nestor classified as discontinued operations and held for sale for fiscal 2025 and all prior periods.

For fiscal year 2025, net sales from our continuing operations for Clearfield grew to \$150.1 million, up 20% from \$125.6 million in fiscal 2024. Gross profit margin increased to 33.7% in fiscal 2025, up from 20.6%.

While the results from continuing operations on our P&L now reflect the historical Clearfield segment only, the overall Company net loss reflects both the results from Clearfield's continuing operations and the full fiscal year loss from discontinued operations for Nestor, as well as a one-time write down of the Nestor business effective in our fiscal 2025 fourth quarter. While the Company had an overall loss per share for fiscal year 2025 of \$0.58, the loss per share related to Nestor's discontinued operations and impairment write down accounted for a net loss of \$1.03 per share. This was offset by net income per share of \$0.45 from Clearfield's continuing operations, a significant improvement from a net loss per share of \$0.58 in fiscal 2024.

We are also pleased with our year-over-year performance from continuing operations, including top-line growth of 20% in fiscal 2025 and the resulting profitable bottom line to our shareholders. By exiting the Nestor business, effective November 11, 2025, Clearfield will enhance alignment with the Better Broadband and Beyond strategy, as well as improve margins and strengthen its bottom line going forward.

In the fourth quarter of fiscal 2025, we recorded net sales of \$41.1 million, up 13% from \$36.2 million in the same period of the prior year. For the period, our gross profit margin improved to 34.6% from 26.6%, driven by improved production efficiencies from higher volume and lower inventory charges incurred compared to the fiscal 2024 period. Our net income per share rose to \$0.13 in the quarter, versus \$(0.01) in the fiscal 2024 period.

Looking ahead, we plan to accelerate growth by continuing our focus on the Community Broadband market as well as adjacent and emerging technology applications. This is not a departure from the people, places, and products that have made Clearfield successful. On the contrary, these exciting new applications will soon expand beyond the data center and into the communities we have served since our inception.

This three-pillar strategy for Better Broadband and Beyond requires that we protect our core, leverage our position in the broadband market, and expand strategically into adjacent markets. Because of the relationships we have cultivated over the years, Clearfield has become the preferred partner that customers trust, enabling them to grow and pursue new revenue streams. To build on this foundation, Clearfield is investing in its leadership, product innovation, and operational excellence to support long-term growth in both existing and adjacent markets.

With the market recovery underway, Clearfield is poised to launch new products that strengthen our core product portfolio and open additional opportunities. In the coming months we will introduce a complete line of splice cases, expanding our portfolio and deepening customer engagement. Since the inception of Clearfield, we have advocated for the reduction of splicing in the network, yet we recognize many outside plant environments require splicing for optimal network design. We have worked to develop a splice case that we believe is better than the options currently available in the market. For the past few months, our field engineers have been showcasing this new solution that we believe is world-class and will be launched before calendar year-end.

Additionally, early next year we will introduce the next generation of fiber management with a new cassette optimized for the underserved market of non-hyperscale data centers, reinforcing our ability to deliver innovation that aligns with evolving network demands. This new product platform is the first of many innovations that the Company has in development for our expansion not only into Broadband – but Beyond.

Across the organization, we have invested in sales and marketing leadership to strengthen execution and drive growth. Anis Khemakhem, our new Chief Commercial Officer, is integrating sales and marketing to align go-to-market execution with product strategy. In addition, we recently appointed Mike Ward as Vice President of Sales, Broadband and Marc Temple as Vice President of Channels and Strategic Alliances. Both Mike and Marc are tasked with enhancing channel sales capabilities, bringing deep industry experience and proven track records of growth. These leaders are aligned around our purpose, committed to operational excellence and strategic growth, and put new energy toward the opportunities in front of us.

As part of our strategic refinement, we conducted a comprehensive review of the Nestor segment and, as announced on November 12, 2025, made the decision to divest the business. The acquisition of Nestor strengthened Clearfield's vertical integration and Build America, Buy America (BABA) compliance through the successful transfer of cable manufacturing technology into our U.S. and Mexico operations. However, the European market proved to be a lower-margin, lower-return use of capital. Following careful evaluation, we determined that exiting Nestor would best align resources with higher-return opportunities in North America and adjacent markets that are part of our Better Broadband and Beyond strategy. The transaction resulted in a non-cash impairment charge of \$10.4 million recorded in our fourth quarter of fiscal 2025. The divestiture removes the divestiture sharpens strategic focus, removes an under-performing asset, and improves the Company's long-term margin profile, while the operational benefits from Nestor's expertise remain embedded in our manufacturing platform.

We ended the quarter with approximately \$166 million in cash, short-term and long-term investments, up from \$153 million in the year-ago period. While there was no stock buy-back activity in the fourth quarter, the Company did invest \$16.5 million in purchasing 551,000 shares during the fiscal year. Our share repurchases during fiscal year 2025 underscore our confidence in our company's value and market opportunity, as evidenced by the size and scale of our buyback program. As a result, our Board of Directors has increased our share buyback authorization from \$65 million to \$85 million, providing us with \$28.4 million available for additional repurchases as of November 25, 2025.

For fiscal 2026, we expect net sales from continuing operations in the range of \$160 to \$170 million and earnings per share of \$0.48 to \$0.62. This outlook reflects our continued commitment to disciplined growth, operational efficiency, and prudent capital allocation. We do not expect Nestor's results from discontinued operations through the date of sale to have a significant impact on net income per share for fiscal year 2026.

All charts and financial comparisons below have also been updated and include Nestor figures and results in discontinued operations.

Fiscal Q4 2025 Financial Summary

Fiscal Q4 2025 Financial Summary

(in millions except per share data and percentages)

	Q4 2025	vs. Q4 2024	Change	Change (%)
Net Sales from Continuing Operations	\$ 41.1	\$ 36.2	\$ 4.9	13%
Gross Profit (\$) from Continuing Operations	\$ 14.2	\$ 9.6	\$ 4.6	48%
Gross Profit (%) from Continuing Operations	34.6%	26.6%	8.0%	30%
Income (Loss) from Operations from Continuing Operations	\$ 1.0	\$ (2.5)	\$ 3.4	139%
Income Tax Expense (Benefit) from Continuing Operations	\$ 0.8	\$ (0.6)	\$ 1.4	234%
Net Income (Loss) from Continuing Operations	\$ 1.8	\$ (0.0)	\$ 1.8	3701%
Net Income (Loss) per Diluted Share from Continuing Operations	\$ 0.13	\$ (0.01)	\$ 0.14	1400%
Net Loss from Discontinued Operations, net of tax	\$ (0.5)	\$ (0.8)	\$ 0.3	42%
Loss from Impairment of Discontinued Operations, net of tax	\$ (10.4)	\$ -	\$ (10.4)	-100%
Net Loss per Diluted Share from Discontinued Operations	\$ (0.78)	\$ (0.04)	\$ (0.74)	-1850%
Consolidated Net Loss Per Diluted Share	\$ (0.65)	\$ (0.05)	\$ (0.60)	-1200%

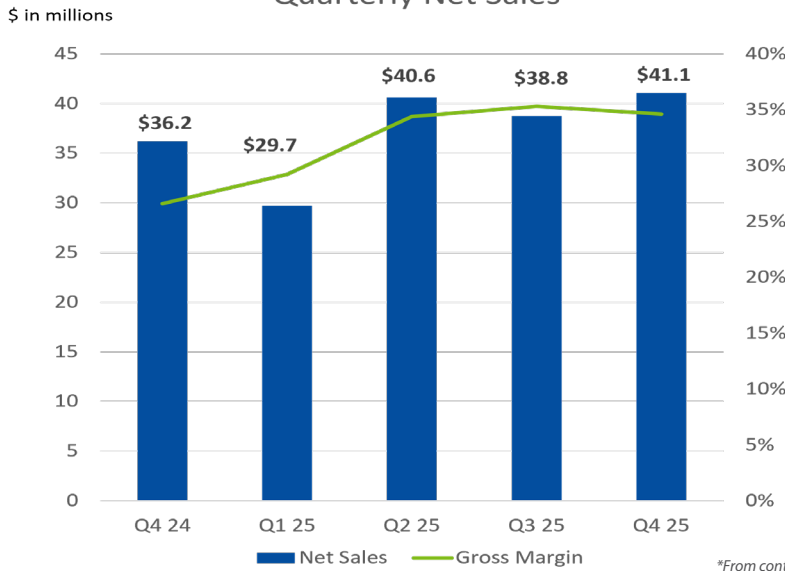
Fiscal Q4 2025 Financial Summary - Con't

Fiscal Q4 YTD 2025 Financial Summary

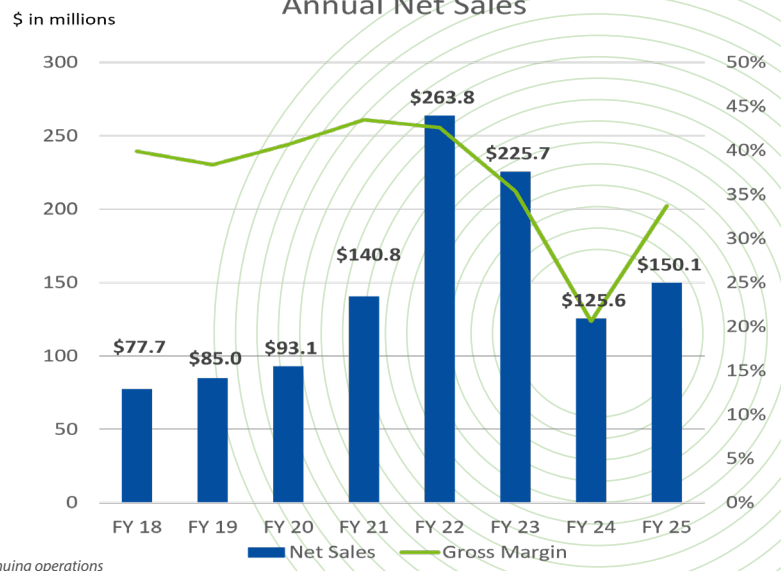
(in millions except per share data and percentages)

	YTD Q4 2025	vs. YTD Q4 2024	Change	Change (%)
Net Sales from Continuing Operations	\$ 150.1	\$ 125.6	\$ 24.6	20%
Gross Profit (\$) from Continuing Operations	\$ 50.5	\$ 25.8	\$ 24.7	96%
Gross Profit (%) from Continuing Operations	33.7%	20.6%	13.1%	64%
Income (Loss) from Operations from Continuing Operations	\$ 2.1	\$ (19.2)	\$ 21.4	111%
Income Tax Expense (Benefit) from Continuing Operations	\$ 2.4	\$ (3.2)	\$ 5.6	173%
Net Income (Loss) from Continuing Operations	\$ 6.3	\$ (8.5)	\$ 14.8	174%
Net Income (Loss) per Diluted Share from Continuing Operations	\$ 0.45	\$ (0.58)	\$ 1.03	178%
Net Loss from Discontinued Operations, net of tax	\$ (3.9)	\$ (3.9)	\$ (0.0)	0%
Loss from Impairment of Discontinued Operations, net of tax	\$ (10.4)	\$ -	\$ (10.4)	-100%
Net Loss per Diluted Share from Discontinued Operations	\$ (1.03)	\$ (0.27)	\$ (0.76)	-281%
Consolidated Net Loss per Diluted Share	\$ (0.58)	\$ (0.85)	\$ 0.27	32%

Quarterly Net Sales*



Annual Net Sales*



*From continuing operations

Net sales from continuing operations for fiscal 2025 were \$150.1 million, a 20% increase from \$125.6 million in the prior year. Net sales from continuing operations in the fourth quarter of fiscal 2025 were \$41.1 million, a 13% increase from \$36.2 million in the prior year fourth quarter. Our year-over-year and fourth quarter performance was driven by continued penetration of the MSO and Large Regional Service Provider markets.

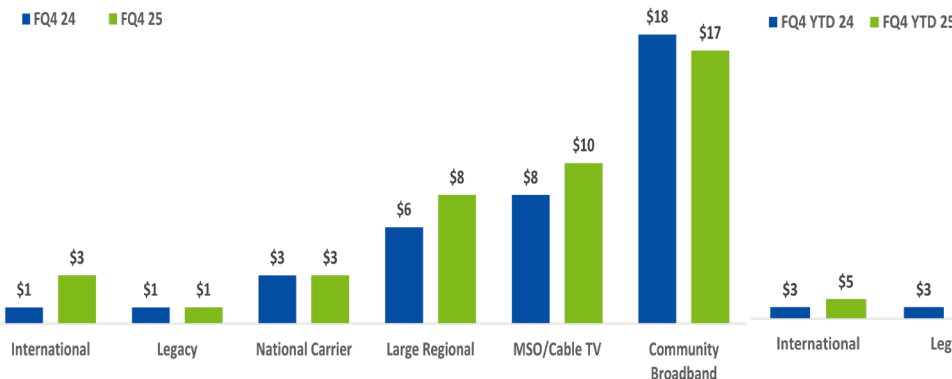
Our backlog as of September 30, 2025, decreased to \$24.7 million from \$30.7 million on June 30, 2025. The decrease in the backlog is consistent with normal seasonality in the business. Our backlog increased by \$1.9 million from \$22.7 million at September 30, 2024. We believe this increase is a sign of entering the tail-end of a U-shaped recovery as well as the growth of Clearfield in the market.

Net Sales Comparison by Key Market

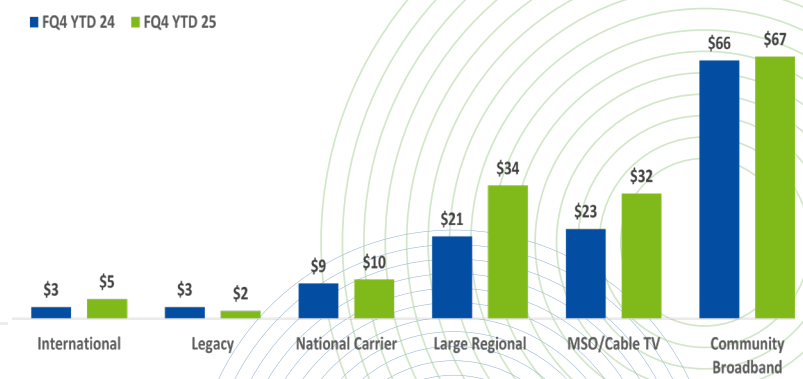
In Clearfield’s primary market, Community Broadband, net sales for fiscal year 2025 were \$66.8 million, comprising 45% of total net sales for the year, relatively in-line with net sales of \$66.0 million in fiscal year 2024. In the fourth quarter of fiscal 2025, we generated net sales in this market of \$16.9 million, which comprised 41% of total net sales in the quarter. Net sales in Community Broadband decreased by 7% from the prior year fourth quarter and decreased by 9% sequentially. Demand in Community Broadband was muted by the negative overhang that has resulted in the years-long delays in the BEAD program. Not only have BEAD deployments been pushed into late fiscal 2026 for those limited states that have approved plans, but the uncertainty introduced by these delays has resulted in the delay of private funding as well.

Net sales in the MSO market for fiscal year 2025 were \$32.4 million, up 38%, from \$23.5 million in fiscal 2024. Net sales to MSOs were \$10 million in the fourth quarter, which comprised 24% of total net sales in the quarter and increased by approximately 33% from the prior year fourth quarter. Our MSO business experienced a sequential uptick of 9% from the third quarter, driven by higher volumes from portfolio customers in this market. The MSO market has been a strong growth driver for Clearfield as we leverage the brand awareness of Clearfield in Community Broadband with the regional MSOs who share similar geographies.

Quarterly Net Sales¹



Annual Net Sales²



All dollar figures in millions

¹Based on net sales of \$41.1 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

²Based on net sales of \$150.1 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

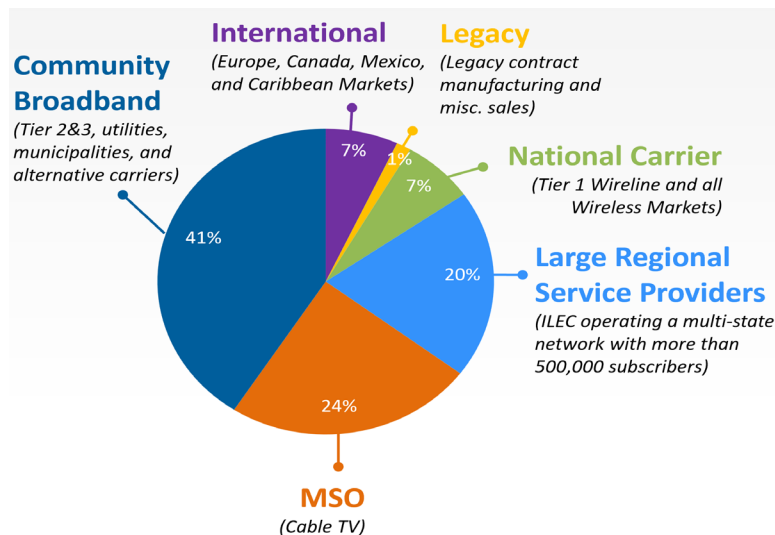
Net Sales Comparison by Key Market

Net sales in the Large Regional Service Provider market were \$33.7 million in fiscal year 2025, comprising 22% of net sales, and increased 58%, or \$12.4 million, from the previous year. Net sales in this segment were \$8.1 million in the fourth quarter, which comprised 20% of total net sales in the quarter and increased by approximately 28% from the prior year fourth quarter, driven by continued demand from several Large Regional Service Provider customers who have significant FTTx builds.

Net sales in the National Carrier market were \$9.7 million for the year, comprising 6% of total net sales, and increased by 11% over the prior year. Sales for this market were \$2.7 million in the fourth quarter, which comprised 7% of total net sales in the quarter and decreased by approximately 12% from the prior year fourth quarter. Our National Carrier business experienced a sequential uptick of 25% from the third quarter as a result of lumpiness that can result when serving larger customers.

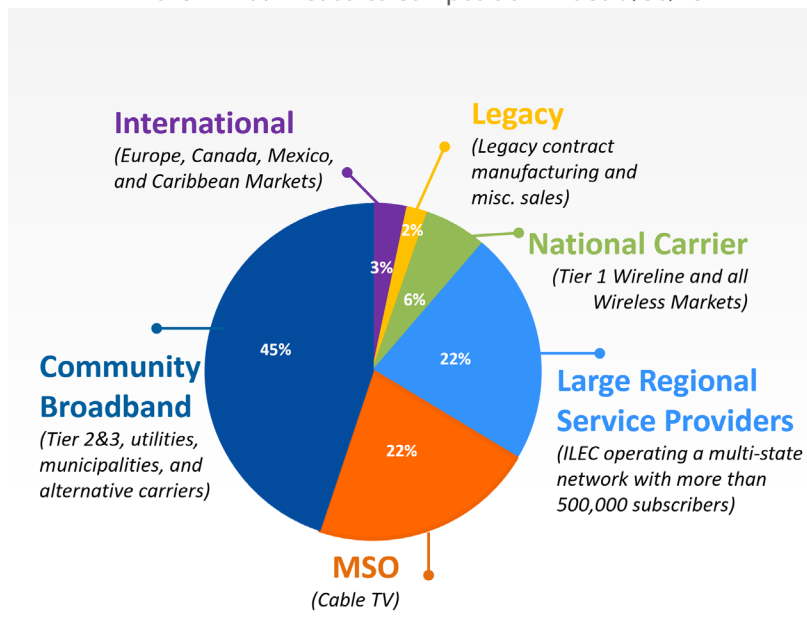
Net sales in the International market, which includes sales into Canada, the Caribbean, Mexico, and other parts of Central and South America, were \$5.2 million in fiscal 2025, comprising 3% of sales, and increasing 70% over the prior year. Net sales in this market were \$2.8 million in the fourth quarter and comprised 7% of total net sales in the quarter. Net sales in this market increased by approximately 412% from the prior year fourth quarter. Our International revenue was up 105% sequentially from the third quarter as a result of several significant project wins in the Central and South American markets.

Q4 FY25 Net Sales Composition Ended 9/30/25¹



¹Based on net sales of \$41.1 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

FY2025 Annual Net Sales Composition Ended 9/30/25²

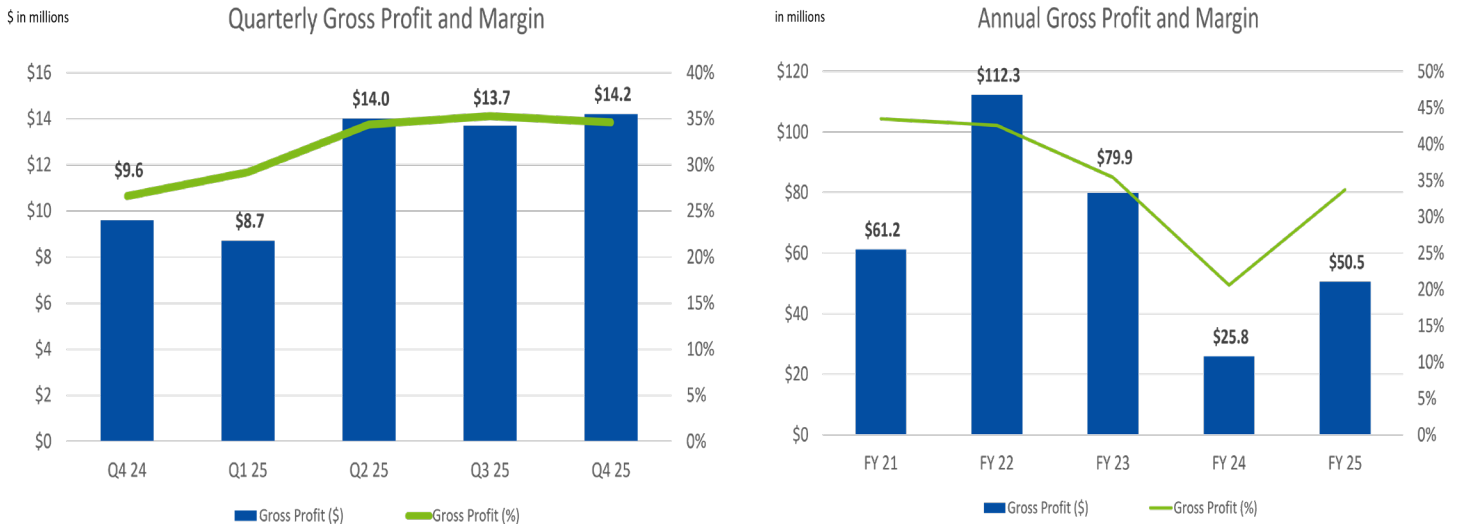


²Based on net sales of \$150.1 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

Gross Profit and Profit Margin

For fiscal 2025, gross profit margin from continuing operations increased to 33.7%, compared to 20.6% in the prior year. Clearfield's gross profit margin from continuing operations in the fourth quarter was 34.6%, up from 26.6% in the prior year's fourth quarter and down slightly from 35.3% in the third quarter. Gross profit margin increased mainly as a result of better overhead absorption with higher volume, lower inventory reserve charges as a result of improved inventory utilization, along with increases in production efficiency from our continuous improvement programs.

Gross Profit and Margin*



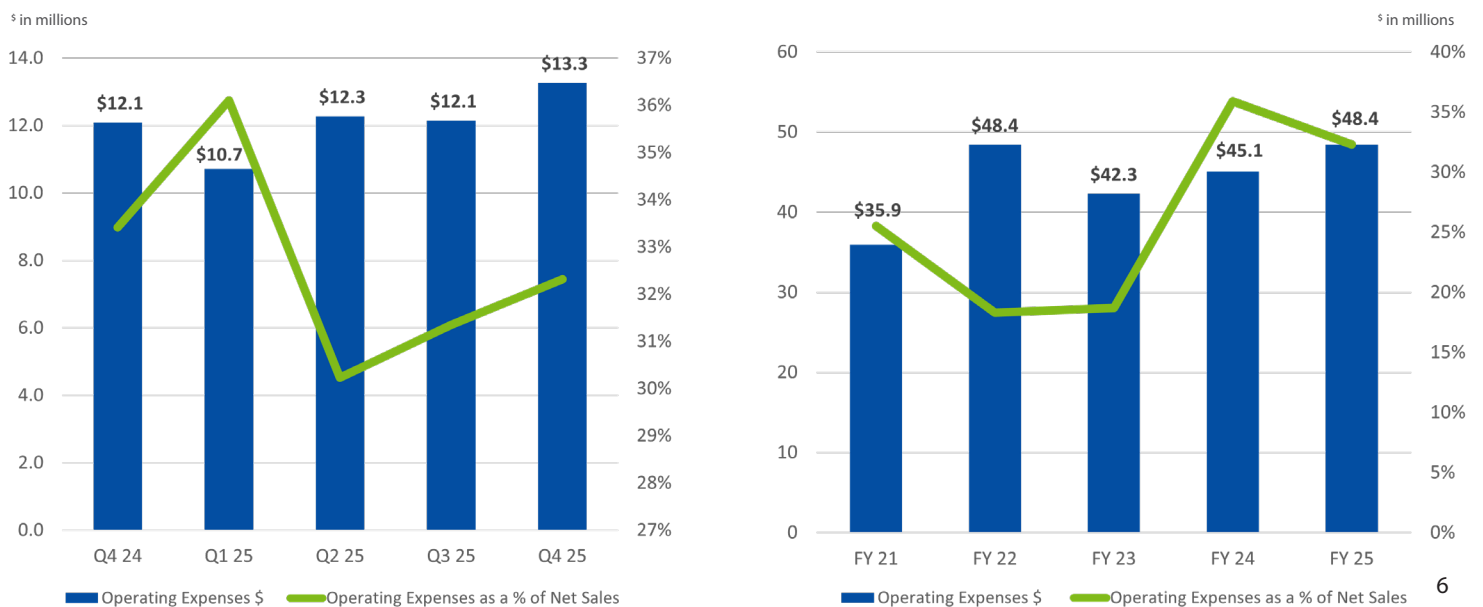
*From continuing operations

Operating Expenses

Operating expenses from continuing operations in fiscal year 2025 were \$48.4 million, up 7% from \$45.1 million in fiscal year 2024. As a percentage of net sales, operating expenses for fiscal 2025 decreased to 32.3%, from 35.9% in fiscal 2024 due to the operating leverage inherent in our model.

Operating expenses from continuing operations for the fourth quarter were \$13.3 million in comparison to \$12.1 million in the prior year fourth quarter. As a percentage of net sales, operating expenses from continuing operations for the fourth quarter decreased to 32.3% from 33.4% in the prior year fourth quarter.

Operating Expenses*



*From continuing operations

Net Income (Loss)

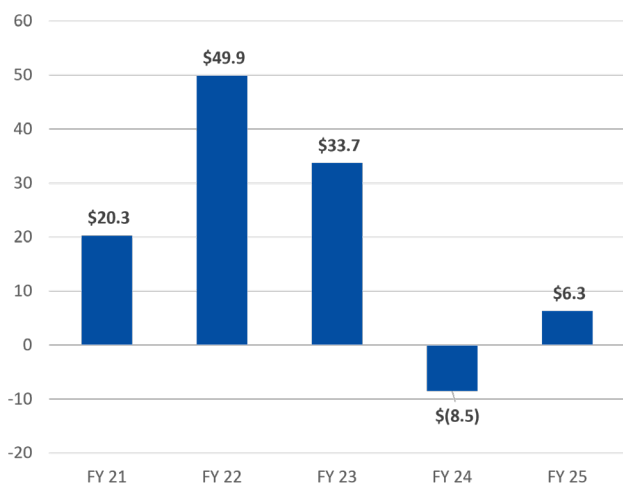
Net income from continuing operations for fiscal 2025 improved to \$6.3 million from a loss of \$8.5 million in fiscal 2024. Earnings per share from continuing operations improved to \$0.45 cents per share in fiscal year 2025 from a loss of \$0.58 per share in fiscal year 2024. The post-pandemic inventory build held at service provider sites is predominantly behind us, which resulted in increased revenue in fiscal 2025, while an increase in revenue from products used to connect homes also contributed to growth in revenue. Our gross margin also improved significantly in fiscal 2025, mainly from an increased level of overhead absorption associated with higher volume, a positive recovery of previously reserved inventory, along with increases in production efficiency from our continuous improvement programs.

Clearfield's net income from continuing operations in the fourth quarter of fiscal 2025 was \$1.8 million, or \$0.13 per diluted share, an improvement from a net loss of \$50,000, or \$(0.01) per diluted share, in the prior year fourth quarter and consistent with net income of \$2.3 million, or \$0.17 per diluted share, in the third quarter of fiscal 2025. The significant year-over-year change was primarily driven by higher demand and better gross margin.

Net Income (Loss) *

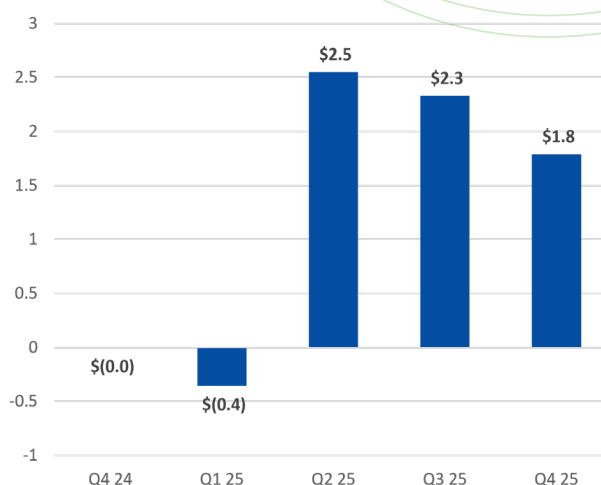
\$ in millions

Annual Net (Loss) Income



\$ in millions

Quarterly Net (Loss) Income



*From continuing operations

Balance Sheet and Cash Flow

- The Company's balance sheet remains strong with \$166 million of cash, short-term and long-term investments.
- Clearfield recorded positive cash flow from continuing operations of approximately \$10 million in the fourth quarter and \$26.5 million for the full fiscal 2025 year, including a reduction of inventory of \$13.6 million.
- The company invested \$16.5 million to repurchase 551,000 shares during the 12-month period ended September 30, 2025. Our share buyback authorization has been raised from \$65 million to \$85 million, providing us with \$28.4 million available for additional repurchases as of November 25, 2025.
- Backed by our healthy balance sheet, we continue to believe we are well positioned to pursue larger customer opportunities and strategic initiatives to strengthen our market position and expand our product portfolio. Our strong cash balance also equips us for the anticipated growth in demand ahead.

For fiscal 2026, we expect net sales from continuing operations to be in the range of \$160 million to \$170 million, operating expenses as a percentage of sales to remain consistent with fiscal 2025, with net income per share in the range of \$0.48 to \$0.62. We expect the late start to the BEAD program and the recent government shutdown to pressure investments both from private funding as well as government programs in our Community Broadband market early in the year.

For the first quarter of fiscal 2026, we expect net sales from continuing operations in the range of \$30 to \$33 million, operating expense to remain consistent with the fiscal fourth quarter of 2025, and net income (loss) per share in the range of \$(0.08) to \$0.00. We do not expect Nestor's results from discontinued operations through the date of sale to have a significant impact on net income (loss) per share in the first quarter and for fiscal year 2026.

The net income (loss) per share ranges are based on the number of shares outstanding at the end of the fourth quarter of fiscal 2025 and do not reflect potential share repurchases completed in fiscal 2026. Our guidance reflects our current understanding of the impact of the evolving tariff situation, which could contribute to uncertainty in our business and in the macroeconomic environment. As we currently understand the tariff environment, we do not believe that the tariffs currently in place will materially affect our operating results.

We look forward to updating you on our progress.

Fiscal 2026 Outlook

Annual Net Sales of \$160M to \$170M

Annual Net Income Per Share \$0.48 to \$0.62

Q1 Net Sales of \$30M to \$33M

Q1 Net Income (Loss) Per Share \$(0.08) to \$0.00

Conference Call

Management will hold a conference call today, November 25, 2025, at 8:30 a.m. Eastern Time (7:30 a.m. Central Time) to discuss these results and provide an update on business conditions.

Clearfield's President and Chief Executive Officer, Cheri Beranek, and Chief Financial Officer, Dan Herzog, will host the presentation, followed by a question-and-answer period.

U.S. dial-in: 1-844-826-3033 | International dial-in: 1-412-317-5185 | Conference ID: 10203440

The live webcast of the call can be accessed at the [Clearfield Investor Relations](#) website along with the company's earnings press release and presentation.

A replay of the call will be available after 11:30 a.m. Eastern Time on the same day through December 9, 2025, while an archived version of the webcast will be available on the Investor Relations website for 90 days.

U.S. replay dial-in: 1-844-512-2921 | International replay dial-in: 1-412-317-6671 | Replay ID: 10201157

About Clearfield, Inc.

[Clearfield, Inc.](#) (NASDAQ: CLFD) designs, manufactures, and distributes fiber optic management, protection, and delivery products for communications networks. Our "fiber to anywhere" platform serves the unique requirements of leading incumbent local exchange carriers (traditional carriers), competitive local exchange carriers (alternative carriers), and MSO/cable TV companies, while also catering to the broadband needs of the utility/municipality, enterprise, and data center markets. Headquartered in Minneapolis, MN, Clearfield deploys more than a million fiber ports each year. For more information, visit www.SeeClearfield.com.

Cautionary Statement Regarding Forward-Looking Information

Forward-looking statements contained herein and in any related presentation or in the related Earnings Presentation are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. Words such as "may," "plan," "expect," "aim," "believe," "project," "target," "anticipate," "intend," "estimate," "will," "should," "could," "outlook," or "continue" or comparable terminology are intended to identify forward-looking statements. Such forward looking statements include, for example, statements about the Company's future revenue and operating performance, the development and marketing of new products, the impact of recent trade policy changes, including new and increased tariffs, retaliatory tariffs, trade disputes, and market and economic reactions to such changes, expected customer ordering patterns and future supply agreements with customers, anticipated shipping on backlog and future lead times, future availability of components and materials from the Company's supply chain, compliance with Build America Buy America (BABA) Act requirements, the impact of the Broadband Equity, Access, and Deployment (BEAD) Program, Rural Digital Opportunity Fund (RDOF) or other government programs on the demand for the Company's products or timing of customer orders, the Company's ability to match capacity to meet demand, expansion into new markets and trends in and growth of the FTTx markets, market segments or customer purchases, and other statements that are not historical facts. These statements are based upon the Company's current expectations and judgments about future developments in the Company's business. Certain important factors could have a material impact on the Company's performance, including, without limitation: we depend on the availability of sufficient supply of certain materials and global disruptions in the supply chain for these materials could prevent us from meeting customer demand for our products; we rely on single-source suppliers, which could cause delays, increase costs or prevent us from completing customer orders; changes in trade policy in the U.S. and other countries may adversely affect our business and results of operations; inflationary price pressures and uncertain availability of components, raw materials, labor and logistics used by us and our suppliers could negatively impact our profitability; a significant percentage of our sales in the last three fiscal years have been made to a small number of customers, and the loss of these major customers could adversely affect us; further consolidation among our customers may result in the loss of some customers and may reduce sales during the pendency of business combinations and related integration activities; our business is dependent on interdependent management information systems; we may be subject to risks associated with acquisitions, and the risks could adversely affect future operating results; adverse global economic conditions and geopolitical issues could have a negative effect on our business, and results of operations and financial condition; product defects or the failure of our products to meet specifications could cause us to lose customers and sales or to incur unexpected expenses; we are dependent on key personnel; cybersecurity incidents, including ransomware, data breaches or computer viruses, could disrupt our business operations, damage our reputation, result in increased expense, and potentially lead to legal proceedings; natural disasters, extreme weather conditions or other catastrophic events could negatively affect our business, financial condition, and operating results; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; our business is dependent upon capital spending by broadband service providers, and any delay, reduction or cancellation in capital spending by broadband service providers could adversely affect our business; if the telecommunications market does not continue to expand, our business may not grow as fast as we expect, which could adversely impact our business, financial condition and operating results; changes in U.S. government funding programs may cause our customers and prospective customers to delay, reduce, or accelerate purchases, leading to unpredictable and irregular purchase cycles; intense competition in our industry may result in price reductions, lower gross profits and loss of market share; our success depends upon adequate protection of our patent and intellectual property rights; we face risks associated with expanding our sales outside of the United States; our operating results may fluctuate significantly from quarter to quarter, which may make budgeting for expenses difficult and may negatively affect the market price of our common stock; our stock price has been volatile historically and may continue to be volatile - the price of our common stock may fluctuate significantly; anti-takeover provisions in our organizational documents, Minnesota law and other agreements could prevent or delay a change in control of our Company; and other factors set forth in Part I, Item 1A. Risk Factors of Clearfield's Annual Report on Form 10-K for the year ended September 30, 2024 as well as other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update these statements to reflect actual events unless required by law.

Investor Relations Contact:

Greg McNiff | The Blueshirt Group | 773-485-7191

clearfield@blueshirtgroup.com

CONSOLIDATED BALANCE SHEETS

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	September 30, 2025	September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 21,493	\$ 14,148
Short-term investments	84,484	114,825
Accounts receivables, net	17,991	13,843
Inventories, net	42,031	56,096
Prepaid and other current assets	11,152	10,528
Current assets held for sale	21,337	20,155
Total current assets	198,488	229,595
Property, plant and equipment, net	9,682	15,871
Long-term investments	59,822	24,505
Goodwill	4,709	4,709
Intangible assets, net	9,353	4,671
Right-of-use lease assets	8,420	10,957
Deferred tax asset	10,263	6,135
Other non-current assets	608	963
Non-current assets held for sale	4,828	17,869
Total assets	\$ 306,173	\$ 315,275
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of lease liability	\$ 2,823	\$ 2,532
Accounts payable	7,028	2,783
Accrued compensation	6,598	4,709
Accrued expenses	2,197	2,263
Current liabilities held for sale	17,957	12,065
Total current liabilities	36,603	24,352
Other liabilities		
Long-term portion of lease liability	5,934	8,757
Non-current liabilities held for sale	7,473	6,403
Total liabilities	50,010	39,512
Shareholders' equity		
Preferred stock, \$.01 par value; 500,000 shares; no shares issued or outstanding	-	-
Common stock, authorized 50,000,000, \$.01 par value; 13,839,675 and 14,229,107 shares issued and outstanding as of September 30, 2025 and September 30, 2024,	138	142
Additional paid-in capital	147,382	159,580
Accumulated other comprehensive income	1,731	1,079
Retained earnings	106,912	114,962
Total shareholders' equity	256,163	275,763
Total Liabilities and Shareholders' Equity	\$ 306,173	\$ 315,275

CLEARFIELD, INC.
CONSOLIDATED STATEMENTS OF EARNINGS

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Year Ended September 30, 2025	Year Ended September 30, 2024	Year Ended September 30, 2023
Net sales	\$ 150,134	\$ 125,568	\$ 225,722
Cost of sales	99,597	99,721	145,865
Gross profit	50,537	25,847	79,857
Operating expenses			
Selling, general and administrative	48,419	45,081	42,280
Income (loss) from continuing operations	2,118	(19,234)	37,577
Net investment income	6,549	7,472	5,199
Interest expense	-	-	(170)
Income (loss) from continuing operations before income tax	8,667	(11,762)	42,606
Income tax expense (benefit)	2,357	(3,248)	8,883
Income (loss) from continuing operations, net of tax	6,310	(8,514)	33,723
(Loss) from discontinued operations, net of tax	(3,947)	(3,939)	(1,190)
(Loss) from impairment of discontinued operations, net of	(10,413)	-	-
Net (loss) income	<u>\$ (8,050)</u>	<u>\$ (12,453)</u>	<u>\$ 32,533</u>
(Loss) earnings per share			
Basic			
Continuing operations	\$ 0.45	\$ (0.58)	\$ 2.25
Discontinued operations	(1.03)	(0.27)	(0.08)
Basic (loss) earnings per share	<u>\$ (0.58)</u>	<u>\$ (0.85)</u>	<u>\$ 2.17</u>
Diluted			
Continuing operations	\$ 0.45	\$ (0.58)	\$ 2.25
Discontinued operations	(1.03)	(0.27)	(0.08)
Diluted (loss) earnings per share	<u>\$ (0.58)</u>	<u>\$ (0.85)</u>	<u>\$ 2.17</u>
Weighted average shares outstanding:			
Basic	13,989,489	14,582,450	14,975,972
Diluted	13,989,489	14,582,450	15,012,527

CLEARFIELD, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Year Ended September 30, 2025	Year Ended September 30, 2024	Year Ended September 30, 2023
Cash flows from operating activities (continuing)			
Net (loss) income	\$ (8,050)	\$ (12,453)	\$ 32,533
Loss from discontinued operations, net of tax	3,947	3,939	1,190
Loss from impairment of discontinued operations, net of tax	10,413	-	-
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	6,121	5,924	4,595
(Gain) loss on sale of assets	(284)	10	3
Amortization of premium and discount on investments, net	(1,777)	(4,406)	(3,512)
Deferred taxes	(4,244)	(3,358)	(2,002)
Stock-based compensation	4,597	4,375	3,578
Changes in operating assets and liabilities, net of acquired amounts:			
Accounts receivable	(3,548)	6,473	27,090
Inventories, net	13,643	26,458	(11,145)
Other assets	173	(9,456)	(309)
Accounts payable and accrued expenses	5,562	264	(27,425)
Net cash provided by operating activities (continuing)	26,553	17,770	24,596
Cash flows from investing activities (continuing)			
Purchases of property, plant and equipment and intangible	(4,743)	(7,985)	(7,439)
Proceeds from sale of property and equipment	903	45	-
Purchases of investments	(119,074)	(159,393)	(210,923)
Proceeds from maturities of investments	115,866	162,064	107,060
Net cash used in investing activities (continuing)	(7,048)	(5,269)	(111,302)
Cash flows from financing activities (continuing)			
Repayment of long-term debt	-	-	(16,700)
Proceeds from issuance of common stock under employee stock purchase plan	595	586	611
Repurchase of shares for payment of withholding taxes for vested restricted stock grants	(494)	(493)	(1,220)
Withholding related to exercise of stock options	(689)	(9)	(491)
Net proceeds from issuance of common stock	-	-	130,262
Issuance of stock under equity compensation plans	-	1	954
Repurchase of common stock	(16,653)	(33,374)	-
Net cash (used in) provided by financing activities	(17,241)	(33,289)	113,416
Cash flows from discontinued operations			
Net cash provided by (used in) operating activities	2,897	4,453	(6,172)
Net cash used in investing activities	(1,796)	(1,627)	(945)
Net cash provided by (used in) financing activities	3,000	(3,617)	1,586
Net cash provided by (used in) discontinued operations	4,101	(791)	(5,531)
Effect of exchange rates on cash and cash equivalents	(97)	(81)	(2)
Net increase (decrease) in cash and cash equivalents	6,268	(21,660)	21,177
Change in cash held for sale	1,077	(19)	(1,011)
Cash and cash equivalents, beginning of period	14,148	35,827	15,661
Cash and cash equivalents, end of period	\$ 21,493	\$ 14,148	\$ 35,827
Supplemental disclosures for cash flow information			
Cash paid for income taxes	\$ 1,670	\$ 160	\$ 12,760
Cash paid for interest	\$ -	\$ -	\$ 170
Right of use assets obtained through lease liabilities	\$ -	\$ 4,364	\$ -
Non-cash financing activities			
Cashless exercise of stock options	\$ 2,533	\$ 19	\$ 566